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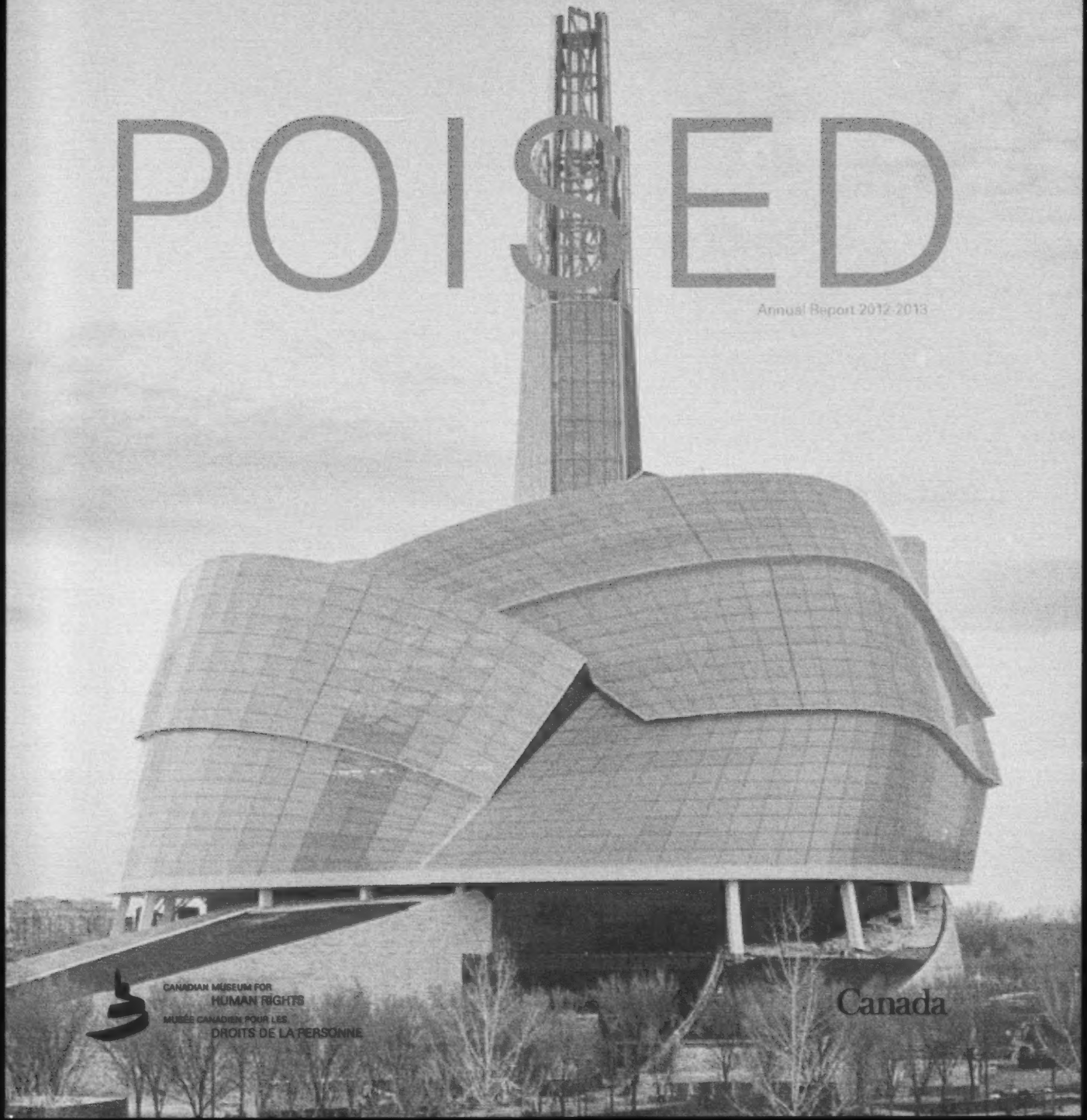
Annual Report 2012-2013



CANADIAN MUSEUM FOR HUMAN RIGHTS
MUSÉE CANADIEN POUR LES DROITS DE LA PERSONNE

Canada

... to create inspiring encounters with human rights.

A new landmark has surfaced on the Canadian landscape. Where people have gathered for centuries, we join together with newfound purpose.

We're following in the footsteps of those who defend, support and fight for the rights of others, while standing at the threshold of a new kind of museum.

The Canadian Museum for Human Rights (CMHR) is prepared to break through assumptions, to strengthen and build new relationships and to promote universal respect and fundamental freedoms.

We mark this milestone, while anticipating the road ahead.

Our journey continues.

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OUR ENVIRONMENTAL RESPONSIBILITY

We are committed to sustainable and responsible decisions that minimize our environmental footprint. Our Annual Report is no exception. Paper was chosen based on its impact on the environment.

To reduce the volume of waste, we have printed a limited number of annual reports. Please visit our website at www.museumforhumanrights.ca to view the report online.

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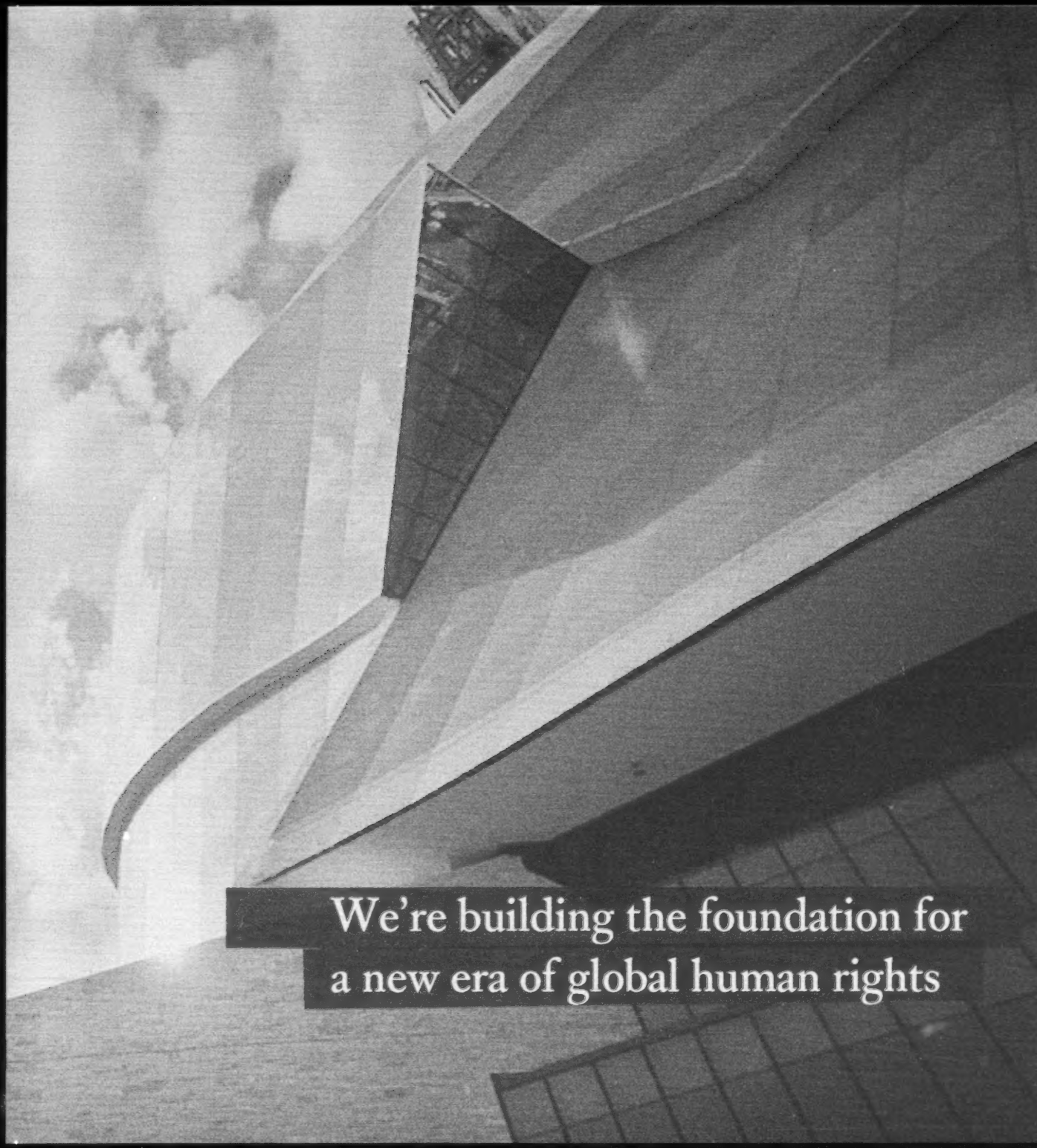

We're building the foundation for
a new era of global human rights

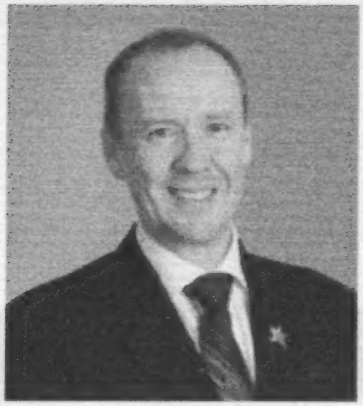
ABOUT THE MUSEUM

The Canadian Museum for Human Rights (CMHR) is the first museum solely dedicated to the evolution, celebration and future of human rights. Our aim is to build not only a national hub for human rights learning and discovery, but a new era of global human rights leadership.

Creating inspiring encounters with human rights, we will engage Canadians and our international visitors in an immersive, interactive experience that offers both the inspiration and tools to make a difference in the lives of others. We will welcome our visitors as partners on a journey to erase barriers and create meaningful, lasting change.

The Canadian Museum for Human Rights is the first new national museum to have been established in nearly half a century, and the first outside the National Capital Region.

As we prepare to open our doors in 2014, we are founding a new conversation focused on building a strong future for Canada, and a better world.



MESSAGE FROM THE CHAIR OF THE BOARD OF TRUSTEES

Whenever I speak to young Canadians about the Museum — whether the high school students in Winnipeg who hosted the CMHR's last annual public meeting, or my own kids and their classmates when I give an address at their school — I leave feeling reassured that Canada's future is in good hands.

The generation of leaders emerging now is more connected, more globally aware and more tech-savvy than any that have come before it. These young Canadians are also passionate about making a genuine difference in the world, and they're committed to investing their talents and energy to make both their country and their planet a better place.

Our job at the Canadian Museum for Human Rights is to ensure these young leaders have the tools they need to build the Canada they know is possible. Our commitment is to connect each one of our visitors with an inspiring encounter with human rights that will spark new conversations and new ideas for a future built on the principles of acceptance, understanding and equality of opportunity.

The Museum's inauguration next year will open a new era in the way Canadians talk about, learn about and take action for the cause of human rights. Our visitors will leave inspired by stories that are uniquely Canada's own; stories that celebrate Canadians' distinct contributions to the advancement of human rights and remind us that there are no barriers to human dignity that cannot be overcome.

In 2014, our visitors will also have a first glimpse at a joining of architecture and human rights like no other in the world. As our national and international tourism partners remind us, people travel across the globe to find architecture that stirs the soul and captures the best of the human spirit. Such an experience will now be found at the geographic centre of Canada, in an architectural marvel where human rights stories are woven into the very fabric of a truly one-of-a-kind building. And when our visitors enter this inspiring space for the first time, they will share in the pride of knowing that they are in a place that is setting not only new national but global standards for universal accessibility and truly inclusive design.

Our visitors will see, too, the fruits of our partnerships with more than 70 educational and human rights organizations from across Canada and abroad. They will encounter exhibits and programs that reflect the ideas, insights and guidance of Canadians of every background and from every corner of Canada.

When the Museum's first visitors come through our doors we'll be ready, with exhibits and programs tailored to provide an experience like no other.

Eric Hughes
Chair, Board of Trustees

MESSAGE FROM THE PRESIDENT AND CEO

Thirteen years ago, long before the first shovel was in the ground and even before the first pencil sketch, the Canadian Museum for Human Rights was an idea; the remarkable vision of Canadian businessman and philanthropist Israel Asper.

Since then, and by design, this unprecedented undertaking has evolved into a team effort on a national scale. The museum that we will open to the world next year has been shaped by the stories, insights and ideas of thousands of Canadians. It reflects the financial generosity of some 7,500 individual donors to date and all levels of government. It stands as a testament to the leadership of the Government of Canada for enshrining the CMHR as a national museum that will inspire Canadians for generations.

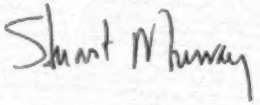
Those who have been with the project since its early days have witnessed countless firsts along the way. For me personally, the most memorable moment so far arrived on the morning of September 20, 2012, as the final piece of glass was hoisted high above the Winnipeg horizon and set into place at the peak of the Museum's Tower of Hope. The event was much more than symbolic. The installation of the last of nearly 1,700 custom-cut panes of glass marked the structural completion of the building's exterior, bringing architect Antoine Predock's inspiring vision

fully to life. It also marked an important transition: with the outside of the Museum essentially complete, all energies were now focused on making sure the galleries, exhibits and programs inside the building would be as captivating as the stunning exterior. With the building in its final form, fabricating, testing and installing world-class (and world-changing) exhibits became our primary focus.

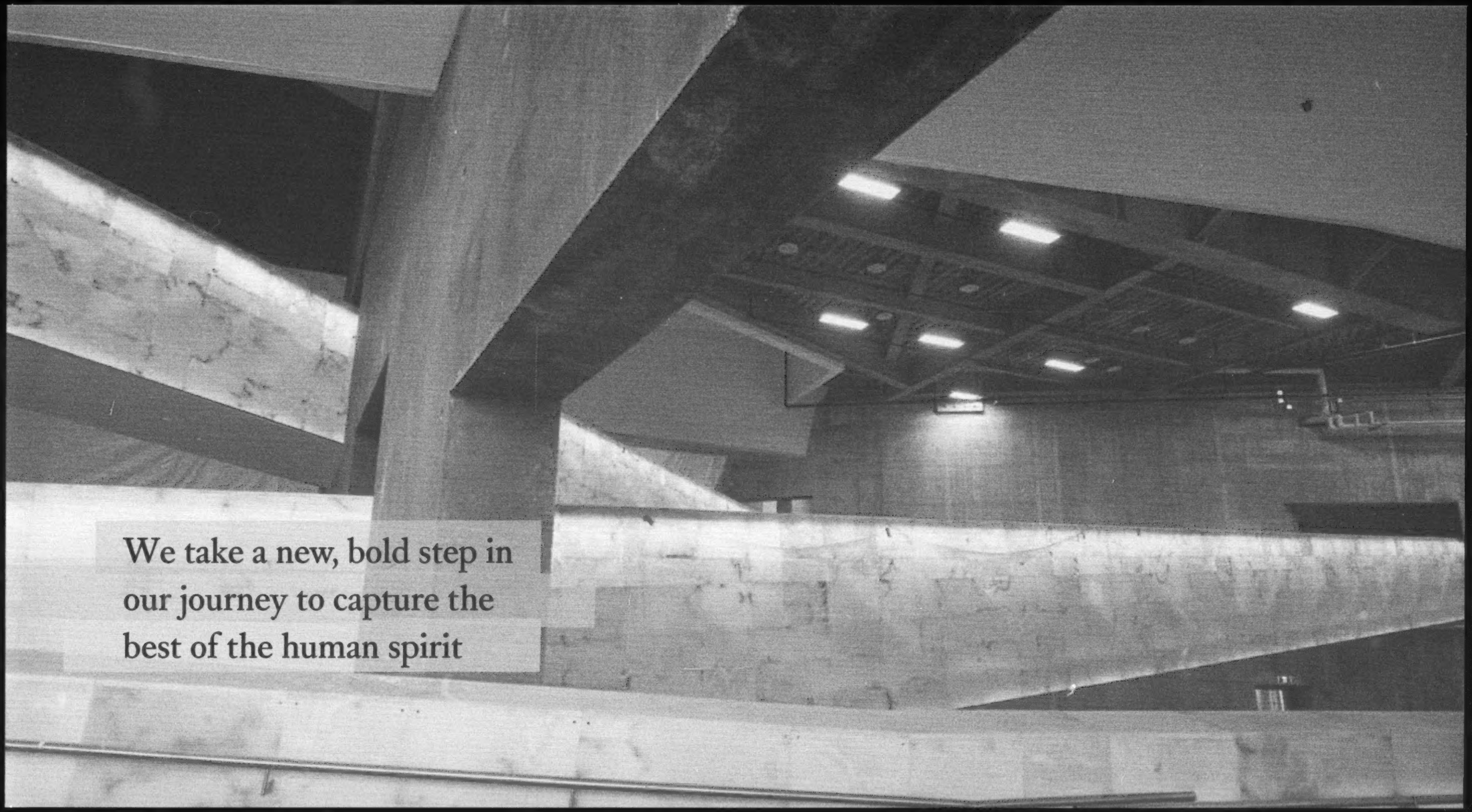
Today, we are on the cusp of another transition. In the next year, our doors will open, and our first visitors will discover that what awaits inside this majestic structure is as grand and inspiring as the architecture that surrounds it – and perhaps even more so.

Our opening will mark the unveiling of a project like no other in our nation's history.

For the Museum's staff, partners and many supporters, it unquestionably feels that we are approaching a monumental finish line. But of course, the Museum's inauguration marks not the end, but a beginning. The official opening of the Canadian Museum for Human Rights is the first page of a new chapter not just for the Museum, but for Canada. For the thousands of Canadians who have already become part of this project and the many more who soon will be, it's the most important leg of our journey yet.



Stuart A. Murray
President and Chief Executive Officer



We take a new, bold step in our journey to capture the best of the human spirit

PRESIDENT AND CHAIR YEAR IN REVIEW

Most visible of the Museum's many achievements over the past fiscal year was the completion of the building's exterior; the installation of the final piece of glass that meant that drawings, models and artist renderings would never again be needed to convey the scale and beauty of this one-of-a-kind architectural gem.

Behind the scenes, however, we had reached a milestone of another kind, and one no less important. After years of consultation, development and draft design, the Museum had marked the beginning of a vital transition from planning to operations. With funding certainty in place, and a 2014 inauguration affirmed as achievable following the evaluation of an independent assessment, the focus of our exhibits, programs and interior spaces was now moving from conception to construction; from preparing to producing.

Museum operations through 2012-2013 adhered to the project-completion benchmarks established in partnership with the CMHR's external project director, GBA Development and Project Management (GBA), a professional services firm specialized in large-scale project management. The project director provides externally monitored oversight of all major project activities, including the contract tendering process, schedule and cost management and management control of content decision. The project's organizational structure, including the roles and responsibilities of all parties, were defined to create an empowered and balanced governance structure and ensure effective communication, accountability, reporting relationships, and decision making.

Operationalizing the Museum will remain our primary focus in the run-up to our opening in 2014, but this momentous process is already well underway. At this moment, the exhibits that will inspire and empower our visitors are being brought to life, with hammers and saws and computer code. Our membership sales program is being developed and readied for launch, with installation of our admissions and ticketing infrastructure soon to begin. In human resources, we've posted positions for the first of our visitor-facing staff and have initiated planning for a volunteer drive in early 2014.

Meanwhile, just as we've been developing the public and educational programs that will be rolled out following inauguration, we've launched advance programming too, from a multi-city lecture series to school visits,

guided tours and more than 90 keynotes and presentations delivered by Museum staff over the past year.

In the spirit of consultation and dialogue that has guided every aspect of our exhibit and program creation, we've also welcomed yet more partners to the Museum family. A partnership with the 200,000-member Canadian Teachers' Federation, as one significant example, will lead to the creation of a first-ever human rights learning toolkit for educators, a resource that will change the way Canada's students learn about human rights.

We've reached these project milestones while maintaining our commitment to fiscal discipline and restraint, recognizing that both public and private donors expect us to find efficiency in every dollar we invest. On the capital side, we were able to reach completion of our base building within our approved project budget, while operational policies such as hiring solely on an as-required basis have ensured we've remained within our operating allocation.

As the 2012-2013 fiscal year reached a close, exterior landscaping was set to commence while gallery spaces were coming into form inside the building, setting the stage for the production, installation and testing that will ensure we're ready for the world when our doors open.

2012-2013 ACCOMPLISHMENTS

- Tendered all remaining base building contracts, completed exterior building construction
- Tendered and contracted exhibit fabrication, audio/visual hardware and integration
- Launched new public programs and lecture series, initiated development of pilot projects for education programs
- Developed IT infrastructure, IT operations plan and website infrastructure
- Developed national and international marketing strategy to support sponsorship and tourism efforts
- Established operations and staffing plans in key areas including visitor services, retail and other revenue-generating activities
- Advanced Museum membership program, initiated development of ticketing and admissions policies and infrastructure
- Developed funding opportunities by making Museum staff and resources available for Friends-initiated fundraising efforts and donor events
- Strengthened public reporting via increased web, print and media communications and expanded Annual Public Meeting
- Initiated planning for inauguration activities

CORPORATE GOVERNANCE

The mandate of the Canadian Museum for Human Rights is, "to explore the subject of human rights, with special but not exclusive reference to Canada, in order to enhance the public's understanding of human rights, to promote respect for others and to encourage reflection and dialogue."

The CMHR is a Crown Corporation established by the *Museums Act*, governed by the control and accountability regime established under Part X of the *Financial Administration Act*. The Museum is required to comply with a range of provisions in other statutes, including the *Federal Accountability Act*; the *Access to Information Act*; the *Privacy Act*; the *Criminal Code of Canada*; the *Official Languages Act and Regulations*; and the *Canada Labour Code*.

Under the *Museums Act*, the CMHR is governed by a Board of Trustees appointed by the Minister of Canadian Heritage with the approval of the Governor-in-Council. The Board of Trustees is independent from Management and provides strategic direction and oversight to the Corporation. The Board reports to Parliament through the Minister of Canadian Heritage and Official Languages. The Minister is also the link between the Museum and the Cabinet.

The roles and responsibilities of the Board of Trustees and its Committees are set out in the Museum's Bylaws and Terms of Reference. The *Museums Act* vests responsibility for the day-to-day management of the Museum in its Director as the President and CEO of the Corporation. Management is accountable for the day-to-day operations of the Museum, its long-term viability and the achievement of its objectives.

As the Corporation has grown, the Museum has continued to strengthen the structure and operations of Board activities to improve organizational efficiency and accountability. A Board subcommittee dedicated to Human Resources and Governance was established last year to oversee CEO performance management, provide guidance to Management on human resources matters, develop internal policy, and assist in the ongoing training of Board members. This committee met eight times in 2012-2013. A Board Content Committee (which met six times in 2012-2013) provides guidance to management to ensure the Museum's mandate is being met with respect to visitor experience, content and programs, while an Audit Committee (which met nine times in 2012-2013) provides oversight and guidance on financial matters to the Museum's executive. The Board, including the Chair and the President and CEO, were present and participated in the Annual Public Meeting held on December 6, 2012.

Promoting respect for others and encouraging reflection and dialogue

GUIDING PRINCIPLES

Core operations
The CMHR aspires to offer its visitors an inspiring encounter with human rights while exceeding Canadians' expectations for balance, transparency, sound business practices and meaningful public consultation.

Inspiring human rights reflection and dialogue
The Museum fosters an appreciation for the importance of human rights, spurs informed dialogue and invites participants to identify the contemporary relevance of past and present human rights events, both at home and abroad. The Museum exemplifies Canadians' commitment to freedom and democracy and aims to ignite an informed, ever-evolving global conversation.

Celebrating Canadians' commitment to human rights
The citizens of Canada are endowed with inherent human rights and responsibilities, codified over time in treaties, policies, laws and declarations. The CMHR provides a safe and engaging space to cultivate respect, gratitude, understanding and ongoing improvement of this human rights inheritance. The Museum connects its visitors with opportunities to explore the global development of human rights concepts and Canada's important role within it.

Meaningful encounters between architecture and human rights
The CMHR is purposefully situated at a historic junction where two rivers meet, an important meeting place and starting point for new journeys for more than 6,000 years. The Museum honours this tradition by inviting guests to participate in a human rights journey of their own, in a building significant for its architectural symbolism of human rights advancement.

Dynamic and accessible human rights content
The Museum aims to deliver an immersive, interactive and memorable experience for visitors of every background, age and level of ability. All participants will have access to a fully reinvented museum experience that reflects a design approach that sets new Canadian and world standards for inclusion and universal accessibility.

A credible and balanced learning resource
As a global human rights learning resource, the Museum bears a responsibility to ensure the accuracy, integrity and credibility of its research and collected knowledge. The Museum strives to serve as a trusted international source for human rights learning, at all times encouraging critical engagement with Museum scholarship and content.

BOARD OF TRUSTEES (AS OF APRIL 2013)

Chair:
Eric Hughes, C.A.,
Calgary, AB
Term: Nov. 22,
2012 – Nov. 21,
2015

Vice-Chair:
John Young,
Ph. D.,
Prince George, BC
Term: Feb. 7, 2013
– Feb. 6, 2017

Trustee:
Lisa Pankratz,
F.C.A., C.F.A.,
Vancouver, BC
Term: Jun. 19,
2009 – Jun. 18, 2013

Trustee
J. Pauline Rafferty,
Victoria, BC
Term: May 31,
2012 – May 30,
2016

Trustee:
Gail Asper, O.C.,
O.M., LL.D. (Hon.),
Winnipeg, MB
Term: Oct. 4, 2012
– Oct. 3, 2016

Trustee:
Wilton Littlechild,
Ph. D.,
Hobbema, AB
Term: Aug. 26,
2008 – Aug. 25, 2012

Trustee:
Lindy Ledohowski,
Ph. D.,
Ottawa, ON
Term: Mar. 15,
2011 – Mar. 14, 2015

Trustee:
Deena Spiro,
Toronto, ON
Term: May 31,
2012 – May 30,
2016

On the expiration of the term, the incumbent trustee continues in office until a successor is appointed.

COMMITTEE MEMBERSHIP

Audit Committee: Lisa Pankratz (Chair), and Eric Hughes **Human Resources and Governance Committee:** John Young (Chair), Lindy Ledohowski, and Lisa Pankratz **Content Committee:** Pauline Rafferty (Chair), Gail Asper, Lindy Ledohowski, and John Young

The Honorable James Moore, then Minister of Canadian Heritage and Official Languages, appointed Eric Hughes to the position of Chair of the Museum's Board of Trustees in November 2012. Mr. Hughes, the Chief Financial Officer of Coral Hill Energy Ltd., has served on the Board of Trustees since 2009. The Museum also welcomed the appointment of John Fitzgerald Young, in February 2013, to the position of Vice-Chair. Mr. Young is an Associate Professor of Political Science at the University of Northern British Columbia and a Senior Fellow at the International Centre for Law and Religion Studies at Brigham Young University.

EXECUTIVE OFFICERS

President and Chief Executive Officer (CEO)
Stuart A. Murray

Chief Financial Officer (CFO)
Susanne Robertson, C.A.

Vice-President, Museum Practice
Gilles Hébert

The Museum stands as
a promise for change

STRATEGIC DIRECTION 2012-2013

Museum priorities were focused on four key areas in 2012-2013 to ensure operational readiness for the 2014 inauguration. The Museum made tremendous progress in all of the key areas and, while not each specific target was fully achieved, the overall project continues to advance on schedule and on budget.

COMPLETE BASE BUILDING CONSTRUCTION AND SERVICE BUILDING

Key deliverables included substantial completion of the base building including tendering and awarding of all remaining base building contracts; tendering and awarding exhibit fit-up contracts; contracting of audio-visual integration work; development of facilities management and building occupancy plans; and engagement of an independent project director to ensure project milestones and cost benchmarks were achieved.

BUILD MUSEUM EXHIBITS AND PROGRAMS

Key deliverables included contracting of exhibit fabrication; completion of external peer review of all gallery approaches; development of preliminary exhibit visuals and text; completion of artifact and image research; integration of education and programming into gallery design; framework development for educational programs; and expanded partnerships with local, national and international educational and human rights institutions.

ESTABLISH MUSEUM OPERATIONS AND PRESENCE

Key deliverables included development of programs and operating policies related to retail, rentals, ticketing/admissions, food services and visitor services; development of tourism and marketing campaigns to drive revenue-generating opportunities and reach expanded audiences; and development of plans and strategies to guide the shift from planning to operations.

SUPPORT FRIENDS OF THE CANADIAN MUSEUM FOR HUMAN RIGHTS' FUNDRAISING CAMPAIGNS

Key deliverables included providing use of CMHR facilities, guided site tours, speakers for donor events and Museum materials to support Friends' fundraising efforts; and development of a complementary marketing strategy to support Friends' campaigns related to naming opportunities for major donors and donor cultivation events across Canada.

24,000 square metres
become a centre of
infinite inspiration

POISED TO INSPIRE

Next year our first visitors will come through our doors. Our work over the past 12 months has been dedicated to ensuring that what awaits is an encounter that redefines the museum experience and opens a proud new chapter in Canada's human rights history.

CAPTURING CANADA'S STORY

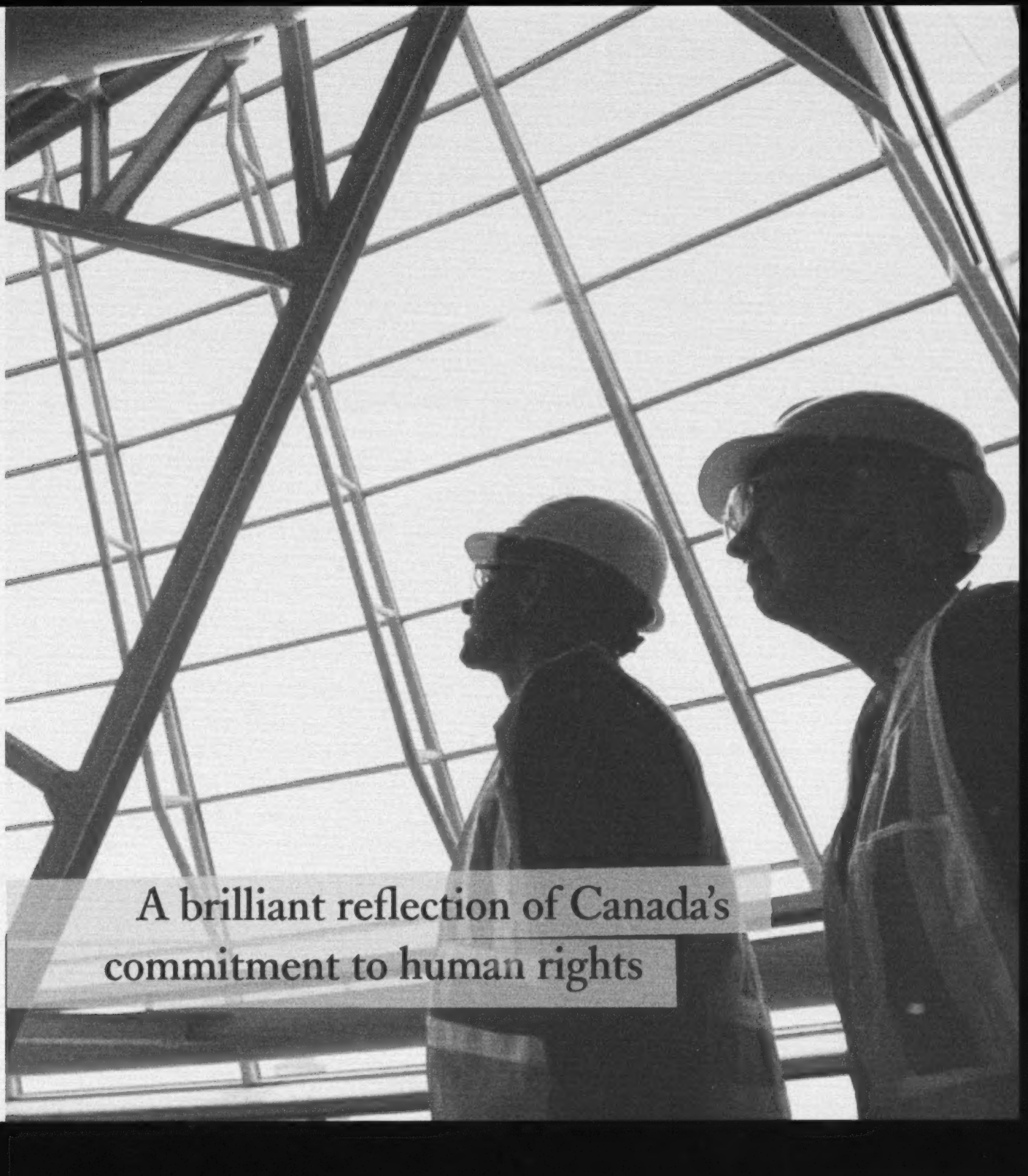
At the heart of the Museum's exhibits and programs is a commitment to deliver a visitor experience that reflects the whole of Canada. Each of the Museum's offerings, whether within our building, on the web or in the community, has been built upon a national public engagement effort that has grown to include more than 4,400 individual Canadians. A year ago this unprecedented national consultation helped form the basis of a key benchmark dubbed Design Development 2 — an expansive document that laid out the physical attributes for every one of the Museum's exhibits over a total span of some 4,350 square metres of floor space. Fiscal 2012-2013 marked the beginning of an even bigger process, as more than 100 poster-sized pages of detailed exhibit blueprints started to be transformed into the actual inaugural exhibits that will greet the Museum's visitors next year. Today, the Museum's exhibit partners in Canada and abroad are fabricating, coding, prototyping and testing the exhibits that will together deliver a visitor experience like no other in the world.

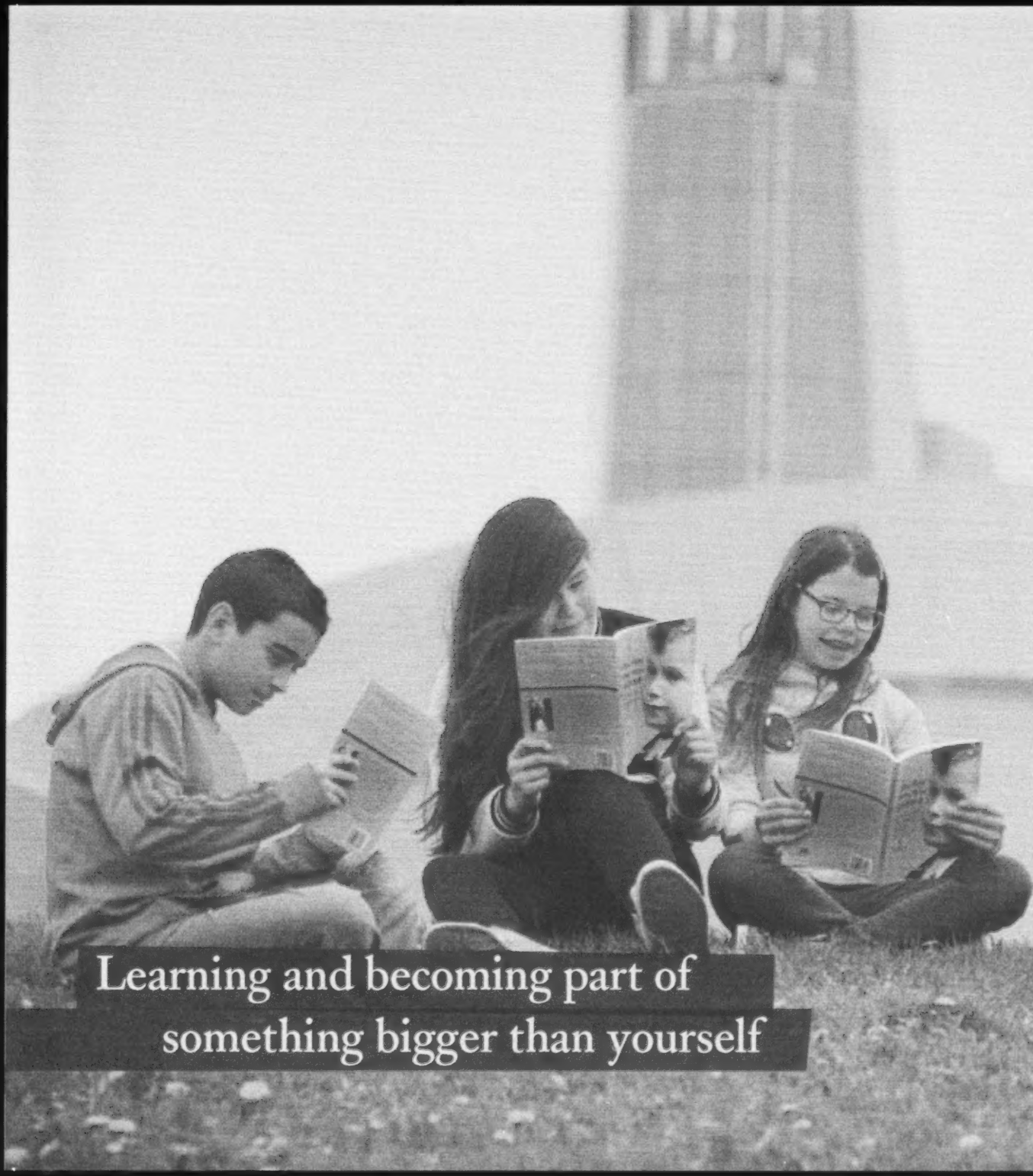
CONTINUING THE CONVERSATION

The human rights challenges of today are different than those of a generation ago, and the human rights frontier of tomorrow will look different still. To keep pace, the CMHR will also continue to evolve, with a commitment to renew and refresh exhibit content and programs as Canada's human rights landscape changes and the global human rights conversation continues to shift. Museum staff sometimes refer to the CMHR's inaugural content as "Museum 1.0." Our promise is to ensure that future "versions" are built in the same spirit as the experience that will greet our visitors in 2014: in direct dialogue with Canadians to ensure that everything offered by the CMHR reflects the full depth and diversity of the nation we share.

A POWERFUL, PERSONAL MUSEUM EXPERIENCE

Key to delivering an inspiring visitor encounter is ensuring our guests aren't offered only an opportunity to learn, but to participate. Fundamental to a visit to the CMHR is that it's participatory, personal and experiential: the


A brilliant reflection of Canada's
commitment to human rights


Learning and becoming part of
something bigger than yourself

visitors are empowered to arrive at new insights and understanding through their own interactions with gallery content. Exhibit development in 2012-2013 included moving forward with signature exhibits that will allow visitors to explore the cause-and-effect relationship between action and rights via exhibits that respond to user movement and decisions. Interactive technologies that will be unveiled during the Museum's inauguration will show how the CMHR is able to use dialogue, first-person accounts, lived experience and personal connection in a way that both humanizes and deeply enriches Museum content. The aim is to deliver an experience that affirms for the visitors that their role is both to learn and to be part of something. The technology is custom-tailored to suit the inherently human, distinctly intricate nature of the Museum's subject matter.

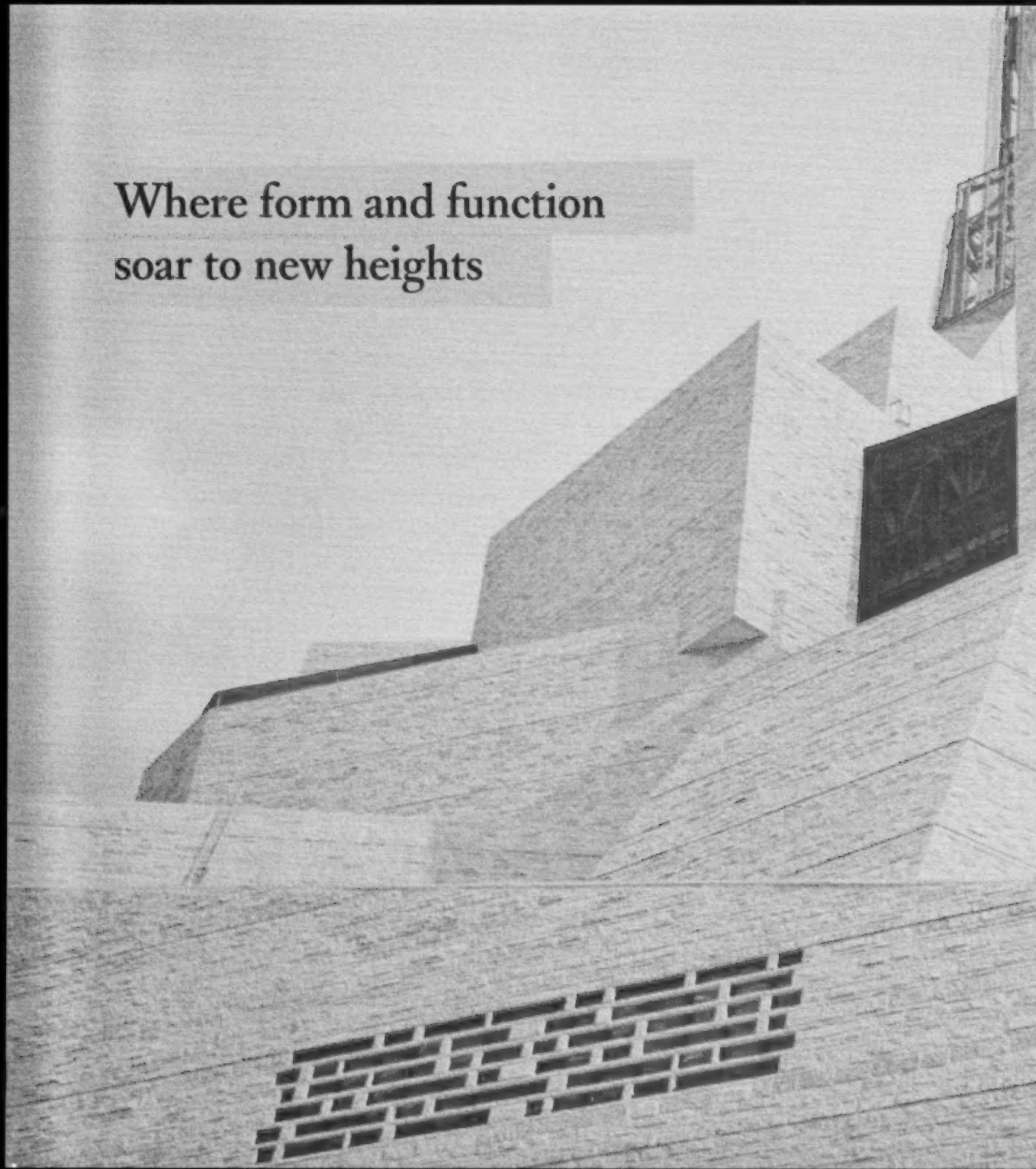
NEW PARTNERSHIPS, NEW PUBLIC PROGRAMS

When our staff describe the CMHR experience, talking about immersive, interactive, multi-sensory exhibits is just the start. Our public and educational programming is as central to the Museum's suite of offerings as the encounter with human rights that awaits inside our galleries. The establishment and growth of the Museum's Learning and Programming department was a key focus over the past fiscal year, not only laying the foundation for the local and national programs that will be launched following inauguration, but offering public events such as lecture series and films throughout 2012.

Informed by a national survey of educators, a growing partnership between the Museum and the Canadian Teachers' Federation (CTF) will set the stage for a first-of-its-kind national teaching toolkit for Canada's 300,000 elementary and secondary school teachers. A joint initiative with the CTF, the Assembly of First Nations, the Robert F. Kennedy Center for Justice and Human Rights, and Inuit Tapiriit Kanatami will connect Kindergarten to Grade 12 teachers with age-appropriate lesson plans to teach human rights within a relevant, contemporary context. In 2012-2013, the Museum also held national consultations with representatives from departments of education from eight provincial and territorial jurisdictions, held the first meeting of its Manitoba Teachers' Advisory Committee and also held the first gathering of its youth advisory council.

SUMMER CAMP AT THE CMHR?

From the classroom to the living room, the CMHR is committed to connecting Canadians with inspiring encounters with human rights stories and themes. As the first national museum being built in the digital age, many of the Museum's interactive learning programs will be delivered online, where they can be accessed from anywhere and at any time. But a key focus will remain on physically bringing people together, from all-ages workshops to adult lectures, human rights-themed arts and crafts for kids, and beginning in 2015, even a human rights day camp at what might be the coolest place to spend summer break in Canada.


Where form and function
soar to new heights

LIVING HISTORIES, NEW NATIONAL INSIGHTS

A central focus of the Museum's research effort is our growing Oral History Program. This initiative began with a series of interviews with "human rights champions" - people recognized for their contribution to the advancement of human rights. This pilot project has given way to a broader approach, one that seeks to explore human rights experiences, actors, and their actions. The program considers events, places and people that were significant to historic and contemporary human rights, while embracing and forwarding the vision, mission, and mandate of the Museum. More than 30 new oral histories were recorded in 2012-2013, and the collection now includes 140 first-person accounts.

The Museum uses a "life history" approach in these interviews, a methodology that is catching the attention of researchers and academics beyond the CMHR. As our researchers note, people are not the product of a single event or experience, but are shaped by a host of factors over the course of their lives. By recording a full life history instead of a more limited interview, we are able to build a far richer collection of profound national and international value. Unique among national museums in Canada, this approach allows a far more comprehensive understanding of oral history participants and yields new insights into our national and global past.

INDIGENOUS ROOTS

With its location at The Forks — a meeting place for Canada's First Peoples for more than 6,000 years — an Indigenous identity is innately woven into the Museum's very foundation. The Museum also sits directly at the doorstep of the site of the Métis occupation of Upper Fort Garry and Louis Riel's provisional government that founded modern Manitoba. Inside the Museum, First Nations, Métis and Inuit contributions to the advancement of human rights will be documented and celebrated on every level, as well as being the focus of a unique architectural tour that will explore the Indigenous spirit of the building. In 2012-2013, workshop meetings were held with Aboriginal elders, youth, artists and community leaders to move forward with a program that will see Aboriginal artists develop a permanent installation of plaques conveying the diversity of human rights concepts from an Indigenous perspective.

A SNAPSHOT OF EQUALITY

Call it crowdsourcing with a human rights twist. In the spring of 2013, the Museum put out a call to Canadian same-sex couples to contribute to an exhibit chronicling the pursuit and ultimate achievement of same-sex marriage rights in Canada. Working with partners who distributed the call for submissions to their networks, the Museum received an overwhelming national response. The contributions will be included in a gallery that explores Canada's human rights history and will serve as an important teaching tool around a contemporary rights issue.

A NEW STANDARD OF INCLUSIVITY

The CMHR has long made clear its commitment to raising the bar for universal design and accessibility. In January 2013, the Museum

was joined by the Council of Canadians with Disabilities and the Ontario College of Art and Design's Inclusive Design Research Centre to announce that the CMHR would not only feature the most inclusive design in Canadian history, but would set a new global standard for universal accessibility and inclusion, surpassing even the design benchmarks established by the Smithsonian. The commitment reflects a fundamental philosophy that accessibility isn't something that should simply be fit in, but instead built in, to allow the full participation of all.

Thought-provoking conversations

PUSHING ALL THE RIGHT BUTTONS

Touch screens will be incorporated in a number of Museum galleries. As a presentation medium, they're hard to beat: they allow the user to control the content, they're fully interactive, they're scalable depending on the needs of a particular exhibit and, especially in an age of smartphones and iPads, people are already familiar with how to use them. Touch screens are not quite as easy to manipulate, however, for those who are blind or whose motor skills may be limited or impaired. Central to the Museum's commitment to equal access, a custom-built universal keypad (UKP), is now in development as a joint initiative between the Museum and the Ontario College of Art and Design's Inclusive Design Research Centre. In the spring of 2013 a prototype was unveiled, and when the Museum opens its doors next year, the UKPs will be ready and waiting to ensure that impaired vision or mobility are never barriers to full participation in the Museum experience.

REMOVING BARRIERS FOR ALL

Even for those without a disability, there are often barriers to visiting a museum. The belief that museums are only for people of a certain age, background or level of education is one barrier. The view that museums are dry and uninteresting is another. Part of the CMHR's commitment to accessibility and inclusion is offering exhibits and programs that reach a much broader audience. In 2012-2013, the Museum began work on programming options designed to make the Museum experience welcoming and accessible to all. Some of the niche programming now in development includes programming for mixed or single-parent families, intergenerational programming, programming delivered by and for Aboriginal Canadians, and free storytelling programs both for kids and adults.

PROGRAMS BUILT ON PARTNERSHIP

Building a truly representative national human rights museum requires forging strong relationships with both national

and international partners. The Museum's growing relationships with schools, universities and educators, ethnocultural communities, Aboriginal youth and elders, disabled rights organizations, women's organizations, gender-rights organizations, labour groups and many more is reflected in virtually every aspect of the Museum's content and programs. Not only do these relationships allow us to ensure our offerings are relevant and inclusive, but they open the door to new initiatives such as classroom resources for teachers, new research opportunities, and public lectures and learning opportunities in cities across Canada. In November, the Museum brought international lecturers to Canada whose work is bringing newly-discovered evidence of the Holodomor genocide to light, including Soviet secret-police orders and case files. The multi-city lecture series raised public understanding and awareness around an event that directly shaped the lives of many individuals who played an instrumental role in building modern Canada.

AN ICON COMES INTO FORM

In 2005, world-renowned architect Antoine Predock's stunning design proposal for the CMHR was chosen from a pool of submissions from architects in 21 different countries. In 2009, the first shovel hit the ground. On September 20, 2012, the final piece of glass was installed on the CMHR's Tower of Hope, bringing Predock's vision fully into form. Today, the Museum's exterior stands complete, a permanent new fixture both on the Winnipeg skyline and the human rights

landscape of our country. Inside the building, all major mechanical systems are now operating, the lights are on and gallery walls and floors have been surfaced, setting the stage for the exhibit installation to commence in late 2013. The rise of the CMHR marks the most ambitious architectural undertaking in Canada in a generation. Possible only through the generous support of all three levels of government and a growing list of contributors that has now topped 7,500 individual donors, the Museum reflects Canadians' commitment to a more just, more equal, more humane world. The completion of the CMHR's base building is the Museum's most significant achievement over the past fiscal year. There is no other structure like it, anywhere in the world.

ARCHITECTURE GOES DIGITAL

Perhaps unique in the world, the deliberate interplay between architecture and technology within the CMHR is intended to be both visually stunning, and more importantly, to mirror the intricacy and complexity of rights issues. Inside the Museum's multimedia theatre, visitors will encounter an immersive experience boasting an image space double the size of a commercial

movie screen. An undulating timeline will present notable human rights benchmarks from past to present. While the presentation itself includes digital elements, the timeline follows the physical contours of the expansive stone walls that shape the gallery — a merger of the intangible and the concrete that invites visitors to contemplate the relationship between the rights we take for granted, and those that for some citizens remain well out of reach.

A GROWING CONVERSATION

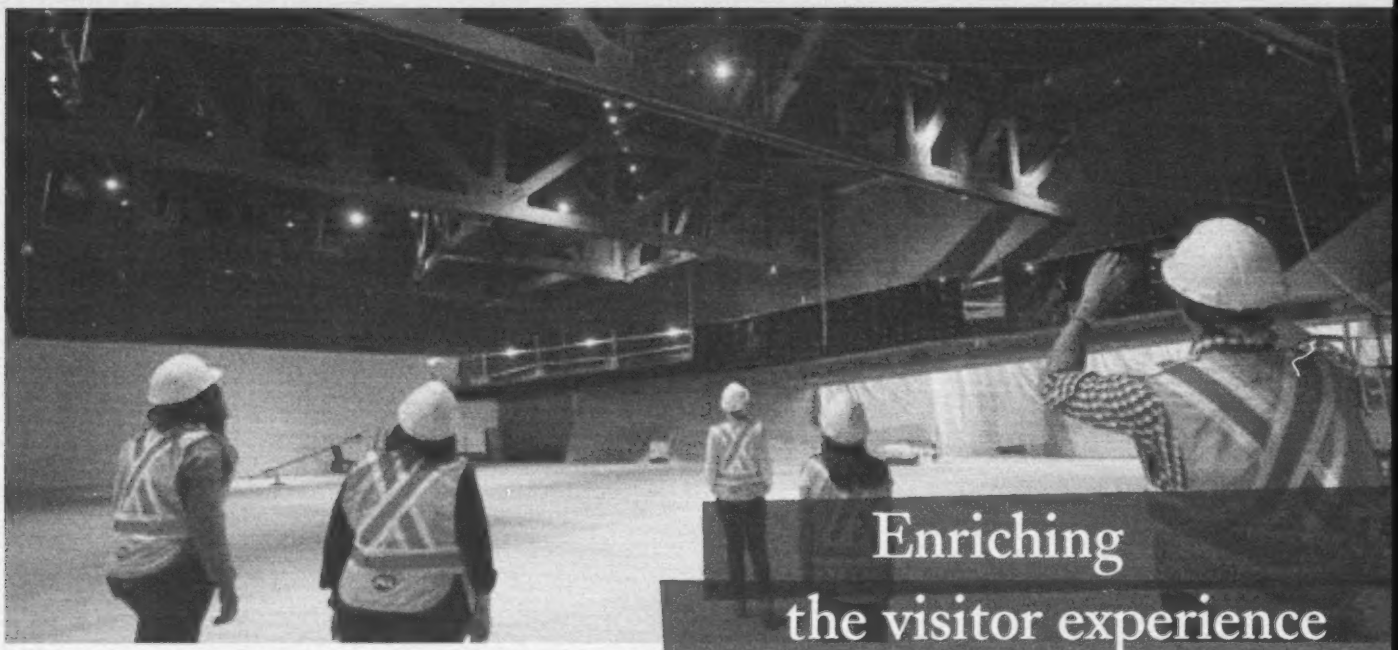
The CMHR may not yet be open, but the online conversation has already started. At fiscal year-end the Museum's combined French and English Facebook audience had grown to more than 5,100 fans, and the Museum boasted the second-most active user group among all national museums in Canada, despite having no physical presence open to the public. The Museum's Twitter followers grew too, nearly doubling in number from March 2012 to March 2013. In the spring of 2012, the Museum also launched a weekly "insider's blog" written by Museum staff, offering readers a behind-the-scenes look at everything from exhibit creation to research to interior construction.

SHARING OUR STORY

In 2012-2013, the CMHR saw an increase in the number of local and national media stories covering Museum events and achievements. Announcements like the nationwide teaching and learning initiative with the Canadian Teachers' Federation and the Museum's multi-city lecture series on the Ukrainian Holodomor earned coverage in major media markets across Canada. The Museum also expanded opportunities for Canadians to learn about the CMHR directly from Museum staff, management and trustees. The Museum's second Annual Public Meeting, held at Winnipeg's Sisler High School and webcast around the world, gave future visitors a chance to ask questions on topics ranging from building construction to exhibits, programs and marketing plans. The CMHR expanded its popular perimeter program too, leading 1,500 visitors on guided tours during the spring and summer of 2012, marking the program's busiest year yet.

FRIENDLY FACES, YOUTH OPPORTUNITIES

The CMHR will use digital tools and technologies to inform, inspire and promote conversation, but the Museum will never lose sight of the fact that human rights are fundamentally about people. In 2012-2013, the CMHR established a framework for a Museum Attendants program to ensure meaningful personal interactions offered by knowledgeable staff and volunteers. The primary intent of the program is to enrich the Museum's visitor experience, ensuring that both a friendly face and a great conversation are always close at hand. Through this program, the Museum will also provide developmental opportunities for the next generation of human rights leaders.



Enriching the visitor experience

A WINNIPEG WELCOME

The Museum's inauguration will bring thousands of visitors to Winnipeg. Some will come to be the first to partake in an inspiring museum experience unlike any other in the world. Others will come to take in the activities and celebration that will mark the Museum's official opening. Either way, a team of friendly Manitoba volunteers will be awaiting our national and international guests, dignitaries and Museum partners the moment they arrive.

GOOD BUSINESS

The CMHR is contributing to a better world but also a stronger local and national economy. Apart from generating millions of dollars in new provincial and federal taxes in perpetuity, the Museum is already a net contributor of new jobs. The opportunity to take on world-changing work in the fields of research, digital media, public and educational programming, collections and design has brought top-tier talent from across Canada and abroad to Winnipeg. External analyses show that the CMHR will generate considerable economic spin-offs that will have direct regional benefit. But even the Museum's own economic activities are geared toward demonstrating that a strong social mandate can be synonymous with good business. Moving forward with developing the Museum's suite of revenue-

generating programs was a key focus through 2012-2013. Benchmarks over the past fiscal year included staffing plans and operating procedures for the Museum's earned revenue and visitor services activities, issuing a public tender for restaurant and catering services, and developing plans for client facility rentals within the Museum. The configuration of IT systems required to support the Museum's admissions, membership, facility rentals and retail sales activities was completed, while plans for the Museum's membership program were developed.

CREATING NEW JOBS, SUPPORTING GREAT STAFF

Central to the Museum's transition from planning to operations, the CMHR posted the first of its visitor-facing staff positions in early 2013. The Museum will create dozens of new permanent jobs upon opening, from ticketing, admissions and retail staff, to program facilitators, security and groundskeeping personnel. The CMHR strives to be an employer of choice, with a workplace culture that reflects organizational values.

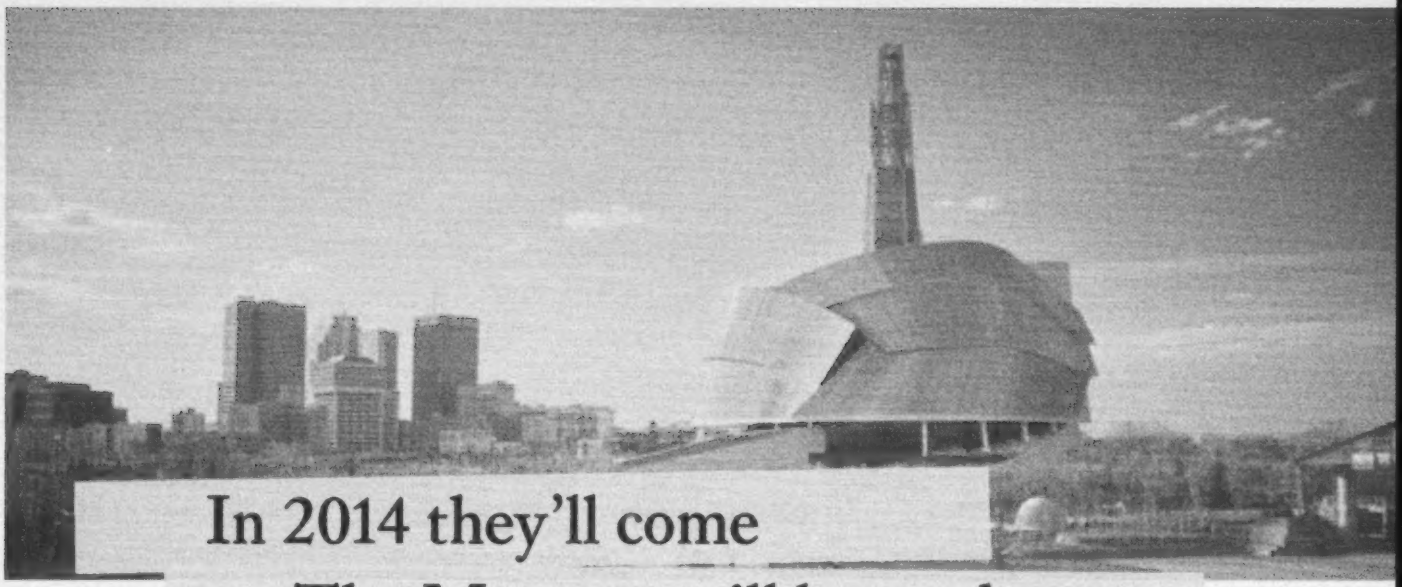
Staff-organized learning and professional-development activities are already in full swing at the Museum, from a lunchtime human rights book club to evening human rights film screenings to a professional development speakers series that brings in guests from other organizations to share insights and best practices.

A STRINGENT SCHEDULE

The project schedule to fully operationalize the Museum in time for inauguration is exceptionally aggressive. More than 60 separate internal projects and processes must be completed prior to the Museum's opening, and all activities must be synchronized to ensure there is neither overlap nor delay between stages. To ensure the Museum meets both its time and budgetary targets, an externally monitored master project management plan was implemented in 2012. The plan is focused on ensuring full operational readiness for inauguration by governing activities from gallery fit-up to audio-visual installation to exhibit testing and building operations. The master project management plan is designed to find efficiencies and eliminate delays between project phases that could otherwise contribute to higher costs.

SUPPORTING STRONG FUNDING GROWTH

In keeping with commitments of the Museum's 2012-2013 Corporate Plan, providing organizational support for the fundraising



In 2014 they'll come
The Museum will be ready

campaign led by Friends of the Canadian Museum for Human Rights was an area of significant focus over the past fiscal year. Even during a time of global financial uncertainty, Friends has had remarkable fundraising success, raising $6 million in new contributions from private-sector donors in the past year alone. To support Friends in building on those successes, the Museum offered guided site tours to potential major contributors, provided speakers for donor events, offered use of Museum facilities, collaborated on the development of a new national public service announcement and helped identify new naming opportunities for potential major funders.

PLANNING FOR THE FUTURE

In coming years the Museum will transition from start-up phase to long-term operations. Planning for this shift will be an ongoing focus for both the Museum's management and its Board of Trustees. In 2012-2013, the Museum initiated work on a records-management strategy to ensure organizational knowledge is preserved as the CMHR continues to change and grow. New evaluation protocols are also being planned to ensure the Museum is deriving maximum efficiency and value from each of its operating areas.

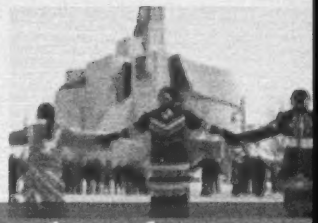
LOOKING FORWARD

Being fully ready to deliver an unparalleled visitor experience as we open our doors is our central focus over the year ahead.

At March 31, 2013, exterior building construction reached substantial completion with all remaining base building contracts tendered. Although work pertaining to the fit-up of exhibit spaces was projected to begin in September 2012, this work was deferred as the Museum could not contract audio/visual integration services until funding certainty had been confirmed. At March 31, 2013, exhibit fabrication and audio/visual hardware and integration had been tendered and contracted.

Exhibit fabrication, prototyping and testing will continue, with installation commencing in the fall of 2013. Work will continue on digitally delivered offerings, interactive presentations and films, with user testing taking place both internally and with external partners as projects move toward latter stages of completion. While not complete in 2012-2013 as originally planned, artifact and image research are both well underway and will continue throughout 2013-2014. While the external peer reviews of all gallery approaches were completed as planned, additional external review on inaugural content plans was undertaken in 2012-2013. Through the President's Human Rights Advisory Council and through the engagement of several independent academics with expertise in a variety of human rights areas, Museum content plans were assessed for overall balance and completeness. While the review process did identify some areas for refinement, it also provided validation that the Museum was well on its way to delivering a series of inaugural exhibits that would be worthy of a national Museum. The Museum will also finalize and deploy a fully redeveloped website, bringing to the world what will be the online home for free, richly interactive human rights content that will make the CMHR experience accessible to all.

Public and educational program development will continue, with a suite of inauguration-year programs planned



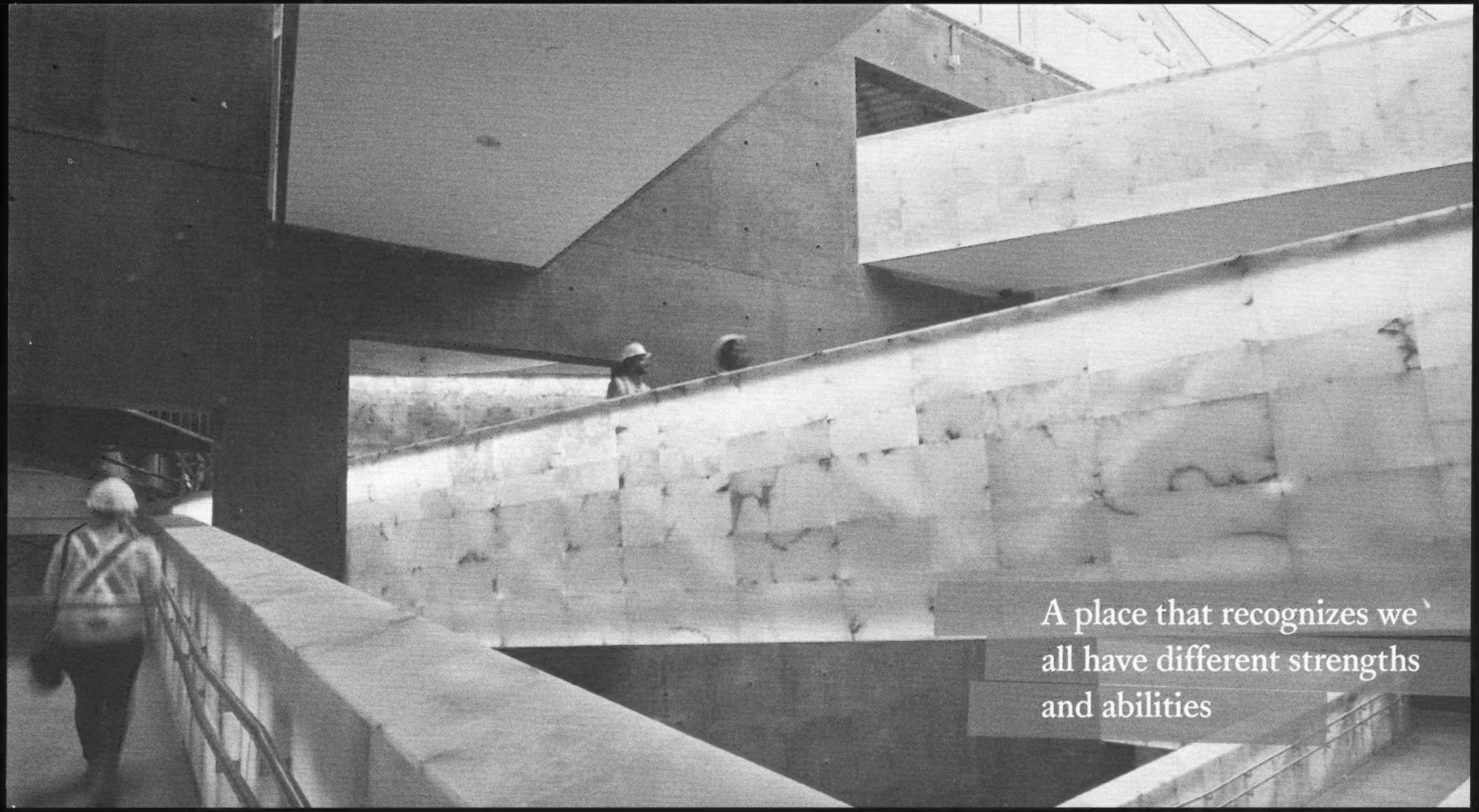
Strengthening bonds of community at home and around the world

for announcement in 2014. The Museum's membership sales will also begin, with online and in-person admissions sales to follow.

Inside the building, the office space fit-up originally scheduled for February 2013 was also deferred by several months as a cost-efficiency measure to avoid disrupting gallery fit-up work already underway. These changes are accounted for in the Museum's externally monitored project schedule and do not affect either the project budget or the master schedule leading up to inauguration in 2014. Final surfacing, detailing work and systems testing will be completed, while environmentally sensitive landscaping will proceed outside the building in accordance with the Museum's commitment to achieving LEED green building status.

Working with both local and international tourism partners, the Museum will deploy a major marketing campaign in 2013 to drive interest in inauguration activities and first-year ticket sales. New retail activities and product lines will be launched, and bookings for 2014 facility rentals will commence for conferences and workshops, community and corporate events, and private functions.

The Museum will announce plans in late 2013 to ensure local businesses, hotels and restaurants, governments, schools, universities and community organizations can all play a role in inauguration events that will attract visitors from around the world. The Museum will finalize plans to engage volunteers so that every visitor receives a personalized welcome and an experience that reflects both the best of the local community spirit and the Museum's commitment to engagement and inclusivity.


A place that recognizes we
all have different strengths
and abilities

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Canadian Museum for Human Rights (CMHR), established as a corporation in 2008, aims to deliver inspiring encounters with human rights, encourage reflection and dialogue, and empower visitors to create meaningful change in the lives of others.

The Corporation provides a sound financial and operational foundation to support this vital work. In implementing its mandate, the Corporation embraces best practices via a management culture that promotes continual improvement and full accountability to Parliament and Canadians.

The Corporation is classified as a government not-for-profit organization (GNPO) and adheres to public sector accounting standards applicable for a GNPO. Financial statements are prepared in accordance with Canadian Public Sector Accounting Standards. The Corporation also complies with Quarterly Financial Reporting and publishes both quarterly and annual financial statements on its website.

FINANCIAL OVERVIEW

The Corporation's primary capital and operating activity through 2012-2013 included completion of the Museum's base building, exhibit planning and design, program development, and operations and systems development and implementation.

Substantial completion of the base building was achieved at March 31, 2013. Cost management, adherence to a master project management plan and targeted cost deferments will allow the Corporation to complete the capital project within the approved $351 million project budget.

The Corporation ended the fiscal year in a positive operating position.

STRATEGIC DIRECTION

The Corporation's Board of Trustees establishes the strategic direction to guide the organization. The strategic direction set for 2012-2013 included the following priorities:

- Complete base building construction within the approved project budget;
- Develop world-class exhibits and programs for the Museum's 2014 inauguration and beyond;
- Establish Museum operations and presence to ensure full operational readiness for the Museum's 2014 inauguration; and

- Support Friends of the Canadian Museum for Human Rights' fundraising campaigns to assist with capital costs and long-term programming and operations.

ENVIRONMENTAL SCAN

Both internal and external factors affect the Corporation's ability to complete construction and develop exhibits and programs within budget, to recruit and retain a skilled and professional workforce, to attract visitors to the Museum once it has opened its doors and to fund ongoing operations. The Museum's Corporate Plan is designed to guide its continuing success in light of the following environmental factors:

Strengths and opportunities

- Sustained government support at all levels;
- Continued year-over-year growth in private donor support;
- Revenue-generating activities including growing retail presence, membership sales programs now in development and significant interest in facility rentals;
- Significant tourism interest and niche tourism opportunities within target demographics and markets;
- Proximity to The Forks, a historic meeting place and Winnipeg's most-visited tourist attraction;
- Social trending towards greater human rights interest and awareness;
- An opportunity to "get it right" with a new model of engagement, partnership and inclusive design;
- Base building construction 100 percent tendered and substantial completion achieved at March 31, 2013; and
- Confirmed funding certainty and externally monitored master project management plan to ensure building, galleries and systems are operation-ready for 2014 inauguration.

Risks and challenges

- Continued global economic uncertainty;
- Complicated capital construction, for which a detailed risk management strategy has been implemented;
- Controversial subject matter;
- High external expectations for excellence; and
- Maintaining fundraising support to complete the capital campaign.

OPERATING BUDGET: OVERVIEW

In establishing the CMHR as a national cultural institution and federal Crown corporation, the Government of Canada committed to provide up to $21.7 million in operating funds per year.

As the Museum transitions from planning to operations, evaluation of projected post-inauguration operating needs is ongoing. Estimates and timing of the Corporation's ongoing requirements will be affirmed through 2013-2014 as inaugural exhibits, programs, information technology infrastructure, operating systems and revenue-generating initiatives are finalized and implemented.

OPERATING BUDGET: YEAR-END RESULTS

To ensure operational readiness for the Museum's 2014 inauguration, the Corporation forecasted a need and received $21.7 million in total operating funds to complete the initiatives under each of the Museum's Programs Areas.

The Museum projected that approximately $8.5 million in operating appropriations would be used to cover costs associated with capitalized initiatives relating to the opening of the Museum, such as computer hardware, network infrastructure, software development, media applications and the outfitting of the new building to support operations.

Actual expenses incurred in 2012-2013 for capital items totaled $2.4 million. Of the remaining $6.1 million that had been projected for capital items, $5.8 million was deferred to 2013-2014 because contracts were tendered later in the year than expected and will be invoiced in the next fiscal year.

Although in many cases, capital expenditures related to exhibit and program development were contracted for, work under these contracts continued into the next fiscal year and the entire projected expenses were not fully incurred within the 2012-2013 fiscal year.

The schedule for the CMHR's acceptance of care and control of the new building from the project contractor and the decision to defer the timing of CMHR employees moving into the new building also resulted in projected expenses being carried over to the 2013-2014 fiscal year. Projected expenses, which include the development of a new IT infrastructure, the procurement of computer hardware and other equipment needed to run the base building and support the administrative functions of the Museum, will be incurred in 2013-2014 when possession of the building is officially transferred to the CMHR.

Total operating expenses were $13.7 million for the year ended March 31, 2013, compared to operating expenses of $10.9 million in the previous year. The Museum's 2012-2013 expenditures include a $900,000 increase in facilities costs; a $500,000 increase for professional and special services to ensure readiness for inauguration; and the planned increase in content and program personnel in the lead-up to the 2014 inauguration, despite overall staffing expenses being lower than projected.

The Corporation finished the year in a positive operating position of $909,000. Operating expenses related to staffing, office and administration were lower than budgeted due to the deferral of facilities and security positions until after substantial completion of the base building and also due to the hiring of specialized positions taking longer than anticipated.

Operating Expenditures by Program 2013-2014

- Permanent Building and Temporary Accommodation $2.942 million
- Stewardship and Corporate Management $5.124 million
- Museum Content and Program $5.612 million

OPERATING BUDGET: OUTLOOK

The Corporation is limited to and forecasts appropriations of $21.7 million in 2013-2014. As per the Corporation's staffing plan, the Museum's staff complement will increase from 76 employees at March 31 to over 100 employees as the Museum continues its transition from planning to operations in the lead-up to inauguration. Hiring will primarily be focused in areas related to the Museum's revenue-generating activities such as membership sales, admissions and retail, as well as other visitor-facing areas including public programming, building operations and security.

Development, fabrication, installation and testing of inaugural exhibits will be a primary focus in 2013-2014, with professional services continuing to be required to augment staff support in areas that demand specialized expertise. Development of public and education programs will continue concurrently with the growth of the Museum's Learning and Programming department and partnerships with educational and human rights organizations both within Canada and abroad. Deferred media and technology assets and infrastructure will be acquired over the coming year.

The Museum will allocate funds for an expanded communications and marketing campaign in 2013-2014 to support tourism opportunities and promote other revenue-generating activities during the Museum's first year of operations.

In 2013-2014, the Museum will continue to refine its budgets for the five-year period following inauguration. Once the Museum is open and fully operational the Corporation will be in a position to more accurately assess ongoing operating needs.

The Museum will continue to plan and account for factors including maintenance, capital repairs, inflation, and Payments in Lieu of Taxes (PILT) payments.

THE CONSTRUCTION PROJECT: OVERVIEW

With construction of the base building substantially complete, the CMHR today stands as an architectural icon unlike any other. The installation of the final piece of glass in September 2012 brought the exterior of the Museum to completion and marked an important transition from base building construction to completion of interior gallery spaces and readying the building for exhibit installation.

The Audit Committee of the Board of Trustees continues to provide oversight of the building project including timelines for remaining interior construction, exhibit fit-up and final project completion within the approved budget. With funding certainty confirmed in 2012, the capital project remains within the $351 million budget and on schedule for inauguration in 2014.

THE CONSTRUCTION PROJECT: BUDGET

The construction of the CMHR marks the first time a national museum in Canada has been built with financial contributions from federal, provincial and municipal levels of government as well as significant support from the private sector.

In June 2012, the Government of Canada approved the use of $35 million of future years' appropriations to allow the Museum to complete the capital project and confirm its inauguration for 2014. Of these funds, $25 million was received by the Museum in 2012-2013 and the remaining $10 million will be received in 2013-2014. In addition, $10 million of the Museum's 2011-2012 operating appropriations were re-profiled and received in 2012-2013 for use in the capital project. A reduction in future operating appropriations over several years after opening is planned to commence in 2018-2019.

A risk assessment of all remaining aspects of the capital project, as well as an externally monitored master project plan and prudent cost savings and deferments, will allow the Museum to complete the project within the approved budget of $351 million. At March 31, 2013 the base building is 97 percent complete and 100 percent tendered. The total capital project is 84 percent complete at March 31, with tendering of exhibit fit-up, fabrication and installation underway and to be completed in 2013-2014.

At the close of fiscal 2012-2013, the Museum's assets under construction increased by $58.6 million, to $286.1 million. At March 31, 2013 the Museum has $22.2 million in restricted cash.

Total Project Progress by Capital Expenditures (as of March 31, 2013)

Project Area	Percentage Completed
Base Building	97%
Exhibit Fit Up	10%
Exhibit Design and Fabrication	23%
Land and Administrative Costs	100%

THE CONSTRUCTION PROJECT: RISK MANAGEMENT

Both the Museum's iconic architecture and the focus and scale of its mandate are without precedent in Canada. The inherent complexity of the Museum project presents a range of challenges that demand careful management and effective strategies to identify and mitigate risk.

The architectural design for the Museum building is extremely complex. A project team including Museum staff, executive and design architects, consultants and the construction manager was established at the inception of the project to manage and monitor all aspects of the construction project including changes in design, additions or deletions to the scope of work.

A design-assist procurement process has been used that, unlike traditionally bid projects, involves subcontractors during the design development and construction document stages of the project to provide valuable input into the design, planning, scheduling, budgeting (including the identification of cost-saving measures) and tendering — a focused team effort towards delivery of the project. This approach has been used successfully with structural, mechanical and electrical trades and with the exterior glazed façade supplier.

A master workflow schedule, tracked and externally monitored by Stantec Consulting, details major project milestones — from base building completion to exhibit prototyping to program development — with clearly established timelines and benchmarks. A companion exhibit project workflow, regularly reviewed by senior exhibit team members, ensures all aspects of exhibit planning and development follow a regimented schedule and workplan.

A master project management plan, developed in partnership with GBA, governs all aspects of Museum development beyond completion of the base building. The plan ensures major activities including exhibit fit-up, audio-visual installation and building operations are closely managed to meet both schedule and budgetary objectives. The plan sets out a critical path focused on maximizing Museum resources, identifying efficiencies and implementing needed processes to ensure operational readiness for the Museum's 2014 inauguration.

MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

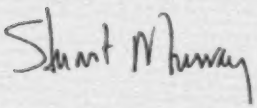
Management has prepared the financial statements contained in this Annual Report in accordance with Canadian Public Sector Accounting Standards, and the integrity and objectivity of the data in these financial statements are Management's responsibility. The financial statements include some amounts that are necessarily based on Management's estimates and judgment. Financial information presented throughout the Annual Report is consistent with the financial statements.

In discharging its responsibility for the integrity and fairness of the financial statements, Management has developed and maintains books of account, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the reliability of the financial information; that assets are safeguarded and controlled; and that transactions are in accordance with the *Financial Administration Act* and regulations as well as the *Museums Act* and regulations and the by-laws of the Corporation.

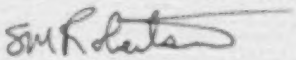
The Board of Trustees is responsible for ensuring that Management fulfills its responsibilities for financial reporting and internal control. The Board exercises its responsibilities through the Audit Committee. Two Trustees of the Corporation comprise the Audit Committee. The Audit Committee

meets with Management and the independent external auditor to review the manner in which the responsibilities for financial statements are being performed and to discuss auditing, internal controls and other relevant financial matters. The Audit Committee has reviewed the financial statements with the external auditor and has approved them.

The Corporation's external auditor, the Auditor General of Canada, examines the financial statements and reports to the Minister of Canadian Heritage and Official Languages, who is accountable to Parliament for the Canadian Museum for Human Rights.



Stuart Murray
President and Chief Executive Officer



Susanne Robertson, C.A.
Chief Financial Officer

June 3, 2013

AUDITOR'S REPORT

Auditor General of Canada
Vérificateur général du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister of Canadian Heritage and Official Languages

Report on the Financial Statements

I have audited the accompanying financial statements of the Canadian Museum for Human Rights, which comprise the statement of financial position as at 31 March 2013, and the statement of operations, statement of remeasurement gains and losses, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

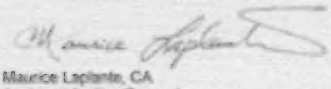
Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Canadian Museum for Human Rights as at 31 March 2013, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

As required by the *Financial Administration Act*, I report that, in my opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Canadian Museum for Human Rights that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part X of the *Financial Administration Act* and regulations, the *Museums Act* and the by-laws of the Canadian Museum for Human Rights.



Maurice Laplante, CA
Assistant Auditor General
for the Auditor General of Canada

3 June 2013
Ottawa, Canada

STATEMENT OF FINANCIAL POSITION (In thousands of dollars)

As at March 31,		2013		2012
Assets				
Current assets:				
Cash	$	6,871	$	4,972
Restricted cash and cash equivalents (note 3)		22,160		18,523
Restricted investments (note 3)		-		12,931
Accounts receivable (note 4)		1,085		1,358
Prepaid expenses and other assets		138		226
Holdback account (note 5)		11,797		9,884
		42,051		47,894
Capital assets (note 6):				
Assets available for use		8,692		7,985
Assets under construction		286,070		227,464
Total Assets	**$**	**336,813**	**$**	**283,343**
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and accrued liabilities (notes 7 and 8)	$	14,717	$	11,359
Holdbacks payable (note 5)		11,797		9,884
		26,514		21,243
Deferred contributions (note 9)		11,320		23,691
Deferred contributions related to capital assets (note 10)		289,783		230,470
		301,103		254,161
Net assets:				
Unrestricted		4,172		3,263
Invested in capital assets (note 12)		4,979		4,979
Accumulated remeasurement gains and losses		45		(303)
		9,196		7,939
Contractual obligations and contingencies (notes 16 and 17)				
Total Liabilities and Net Assets	**$**	**336,813**	**$**	**283,343**

The accompanying notes and schedule form an integral part of the financial statements.

Approved by the Board of Trustees:

Eric Hughes
Chairperson

Lisa Pankratz
Chair, Audit Committee

June 3, 2013

STATEMENT OF OPERATIONS (In thousands of dollars)

Year ended March 31,	2013	2012
Revenue:		
Other income	$ 92	$ 61
Total revenue	92	61
Expenses (schedule 1):		
Museum content and program	5,612	4,222
Permanent building and temporary accommodation	2,942	1,571
Stewardship and corporate management	5,124	5,128
Total expenses	13,678	10,921
Excess of expenses over revenue before Parliamentary appropriations	(13,586)	(10,860)
Parliamentary appropriations (note 11)	14,495	10,794
Excess of revenue over expenses (expenses over revenue) after Parliamentary appropriations	**$ 909**	**$ (66)**

The accompanying notes and schedule form an integral part of the financial statements.

STATEMENT OF REMEASUREMENT GAINS AND LOSSES (In thousands of dollars)

Year ended March 31,	2013	2012
Accumulated remeasurement gains and losses, beginning of year	$ (303)	$ -
Accumulated unrealized loss reclassified from deferred contributions	-	(498)
Unrealized gains (losses) attributable to:		
Foreign exchange	43	85
Investments	(110)	(1,034)
Amounts reclassified to the Statement of Operations:		
Foreign exchange	15	(6)
Amounts reclassified to deferred contributions:		
Investments	400	1,150
Net remeasurement gain (loss) for the year	348	(303)
Accumulated remeasurement gains and losses, end of year	**$ 45**	**$ (303)**

The accompanying notes and schedule form an integral part of the financial statements.

STATEMENT OF CHANGES IN NET ASSETS (In thousands of dollars)

	Unrestricted	Invested in capital assets	Accumulated remeasurement gains and losses	Total
Net Assets, March 31, 2011	$ 3,329	$ 4,979	$ -	$ 8,308
Excess of expenses over revenue after Parliamentary appropriations	(66)	-	-	(66)
Net change in accumulated remeasurement gains and losses	-	-	(303)	(303)
Net Assets, March 31, 2012	$ 3,263	$ 4,979	$ (303)	$ 7,939
Excess of revenue over expenses after Parliamentary appropriations	909	-	-	909
Net change in accumulated remeasurement gains and losses	-	-	348	348
Net Assets, March 31, 2013	**$ 4,172**	**$ 4,979**	**$ 45**	**$ 9,196**

The accompanying notes and schedule form an integral part of the financial statements.

STATEMENT OF CASH FLOWS (In thousands of dollars)

Year ended March 31,	2013	2012 (note 18)
Operating activities:		
Cash receipts (Parliamentary appropriations)	$ 19,507	$ 10,438
Cash receipts (other income)	98	51
Cash payments to and on behalf of employees	(6,855)	(5,590)
Cash payments to suppliers	(4,718)	(5,017)
	8,032	(118)
Capital activities:		
Acquisition of assets under construction	(53,447)	(78,302)
Acquisition of assets in use	(1,775)	(237)
	(55,222)	(78,539)
Investing activities:		
Proceeds from disposals and redemptions of investments	12,821	52,003
Acquisition of investments	-	(13,770)
Revaluation of US currency	57	80
	12,878	38,313
Financing activities:		
Parliamentary appropriation for the acquisition of capital assets in use	1,271	921
Government of Canada funding for assets under construction and related investment income	36,667	11,564
Contributions from non-government sources for assets under construction and related investment income	3,823	21,685
	41,761	34,170
Increase (decrease) in cash and cash equivalents	7,449	(6,174)
Cash and cash equivalents, beginning of year		
Operating cash	4,972	4,356
Restricted cash and cash equivalents	18,523	31,083
Holdback account	9,884	4,114
	33,379	39,553
Cash and cash equivalents, end of year		
Operating cash	6,871	4,972
Restricted cash and cash equivalents	22,160	18,523
Holdback account	11,797	9,884
	$ 40,828	**$ 33,379**

The accompanying notes and schedule form an integral part of the financial statements.

1. AUTHORITY AND MANDATE:

The Canadian Museum for Human Rights (the "Corporation") was established through amendments to the *Museums Act* on August 10, 2008 and is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act*. The Corporation is not subject to income tax under the provisions of the *Income Tax Act*.

The Canadian Museum for Human Rights, being built in Winnipeg, Manitoba, was the first national museum to be located outside of the National Capital Region at the time of its creation and the first to be constructed with funding from levels of government other than the Government of Canada. The Province of Manitoba, the City of Winnipeg, and the Friends of the Canadian Museum for Human Rights (representing private sector donors) are also funding the Capital Project (building and exhibits). A Definitive Agreement, setting forth the terms, provisions and conditions for the parties' undertakings, including the transfer of land, was signed by all parties on February 1, 2008. The Canadian Museum for Human Rights reports to Parliament through the Minister of Canadian Heritage and Official Languages.

The mandate, as stated in the amendments to the *Museums Act*, is as follows:

> *" to explore the subject of human rights, with special but not exclusive reference to Canada, in order to enhance the public's understanding of human rights, to promote respect for others and to encourage reflection and dialogue."*

The operations of the Corporation are divided into three mutually supportive activities which work together to meet all aspects of its mandate. These activities and their respective descriptions are:

Museum Content and Program:
That the Museum's content and programming is objective, innovative and accessible and affects the way people think and behave towards the rights of others, and that it is developed through ongoing community engagement.

Permanent Building and Temporary Accommodation:
That all aspects of the Building Construction Project are managed in a fiscally sound, transparent and accountable manner, ensuring environmental stewardship and employing effective project and risk-management practices throughout.

Stewardship and Corporate Management:
That the Museum adopts sound and efficient governance and stewardship practices that facilitate the alignment of resources with priorities and full accountability and transparency to Canadians for results; the Museum recruits and retains the necessary human resources both for the start-up and the longer-term; and the Museum supports the Friends' fundraising campaign to assist with capital costs in the short-term and to support programming and other activities within the Museum in the long-term.

2. SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of presentation:

These financial statements have been prepared in accordance with the 4200 series of CICA Public Sector Accounting Standards (PSAS) for government not-for-profit organizations as issued by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA). The Corporation applies the deferral method of accounting for contributions for not-for-profit organizations.

(b) Financial assets and financial liabilities:

Cash, cash equivalents, investments and the Holdback account are classified in the fair value category. Changes in fair value of financial assets are recognized through the Statement of Remeasurement Gains and Losses as determined by reference to their quoted bid price at the reporting date. Any realised gains and losses are recognized on the Statement of Operations. Purchases of investments are recorded on the Statement of Financial Position on the settlement date.

Cash equivalents are assets that are readily convertible into cash, such as money market holdings, short-term government bonds or treasury bills, marketable securities and commercial paper. Cash equivalents are distinguished from other investments through their short-term existence as they have original maturities of three months or less.

Accounts receivable and Accounts payable and accrued liabilities are classified in the amortized cost measurement category. They are recorded at cost.

(c) Capital assets:

Property and equipment owned by the Corporation are valued at cost, net of accumulated amortization.

Amortization is calculated using the straight-line method, over the estimated useful lives of assets as follows:

Asset	Useful Life
Computer equipment, hardware and software	3 to 5 years
Leasehold improvements	Lesser of term of lease and 5 years
Furniture and equipment	3 to 10 years
Website development	2 to 5 years

(d) Employee future benefits:

i) Pension Benefits:

Substantially all of the employees of the Corporation are covered by the Public Service Pension Plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation to cover current service cost. Pursuant to legislation currently in place, the Corporation has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Corporation.

ii) Sick leave benefits:

The Corporation provides sick leave benefits for employees that accumulate but do not vest. The cost of the accrued benefit obligations related to sick leave entitlement earned by employees is determined by Management's best estimate considering assumptions based on employee demographics and sick leave usage of active employees.

iii) Maternity/Parental benefits:

Employees are entitled to maternity/parental benefits as provided for under labour contracts and conditions of employment. The cost of these benefits is event driven. Management determined the accrued benefit obligation using a method based upon assumptions and best estimates relating to anticipated maternity/parental leave.

(e) Revenue recognition:

i) Parliamentary appropriations:
The Government of Canada provides funding to the Corporation through Parliamentary appropriations.

ii) Assistance from other governments:
Funding may be provided by various levels of government, other than the Government of Canada.

iii) Donations:
Donations are comprised of contributions received from non-government entities that are not part of the federal government reporting entity, such as individuals, foundations and corporations.

Parliamentary appropriations that are not restricted to a specific purpose are recognized in revenue on the Statement of Operations in the year for which the appropriation is authorized.

Assistance from other governments and donations that are not restricted to a specific purpose are recognized in revenue on the Statement of Operations when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Appropriations, assistance from other governments and donations which are explicitly or implicitly restricted for the purchase of capital assets subject to amortization are deferred and recognized as revenue on the same basis and over the same periods as the related capital assets acquired.

Appropriations and contributions received from other governments and donations that are restricted for use are recorded in Deferred contributions and are transferred to Deferred contributions related to capital assets as the funds are used for the Capital Project.

Revenues restricted for specific purposes are deferred on the Statement of Financial Position and recognized as revenue on the Statement of Operations in the year in which the related expenditures are recognized.

Restricted investment income is recognized as income in the Statement of Operations in the year that the related expenditures are recognized.

iv) Contributions-in-kind:

Contributions-in-kind are recognized as revenue on the Statement of Operations when the fair value can be reasonably estimated and the services and goods are used in the normal course of business and would otherwise have been purchased. Contributions-in-kind related to capital assets subject to amortization are recorded as deferred contributions related to capital assets on the Statement of Financial Position. Contributions-in-kind related to capital assets not subject to amortization are recorded as net assets invested in capital assets on the Statement of Financial Position.

Contributions-in-kind are recorded at the fair value of the asset received.

(f) Expenses:

An expense that contributes directly to an activity as described in Note 1 is allocated fully to that activity. Certain expenses contribute to more than one activity and are allocated based on the estimated time spent on each activity.

(g) Foreign exchange:

Monetary assets and liabilities denominated in US dollars are translated into Canadian dollars using the exchange rate at the Statement of Financial Position date. Foreign exchange is recorded on US dollar denominated transactions at the noon exchange rate on the invoice payment date.

Realized foreign currency gains and losses are recorded in Other income on the Statement of Operations.

Unrealized foreign currency gains and losses on monetary assets are recorded on the Statement of Remeasurement Gains and Losses.

(h) Friends of the Canadian Museum for Human Rights:

The Corporation and the Friends of the Canadian Museum for Human Rights ("Friends of CMHR") are related by virtue of the Corporation's significant influence over the Friends of CMHR. The Friends of CMHR is a separate legal entity, with a mandate to seek and obtain major donations to support the Corporation's mandate and assist in achieving the Corporation's vision. The financial statements of the Friends of CMHR have been audited but have not been consolidated in the Corporation's financial statements.

(i) Contingent liabilities:

In the normal course of its operations, the Corporation may become involved in various claims or legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, a liability will be accrued and an expense recorded in the Corporation's financial statements.

(j) Measurement uncertainty:

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses for the year. Accrued liabilities, contingent liabilities, and estimated useful lives of property and equipment are the most significant items where estimates are used. Actual results could differ significantly from those estimates. These estimates are reviewed quarterly and as adjustments become necessary, they are recorded in the financial statements in the period which they become known.

3. RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS:

Restricted cash, cash equivalents and investments are restricted for use in the Capital Project and arise from contributions received from non-government entities, assistance from other governments and Parliamentary appropriations.

March 31,	2013			2012	
	Cost	Unrealized gains	Fair value	Cost	Fair value
Restricted cash	$ 22,150	$ 10	$ 22,160	$ 901	$ 863
Cash equivalents					
Government of Canada T-bills	-	-	-	4,635	4,653
Provincial T-bills	-	-	-	11,768	11,779
Promissory Notes	-	-	-	1,227	1,228
Sub-total – Cash equivalents	-	-	-	17,630	17,660
Sub-total – Cash and cash equivalents	22,150	10	22,160	18,531	18,523
Investments					
Corporate Bonds	-	-	-	13,221	12,931
Sub-total – Investments	-	-	-	13,221	12,931
	$ 22,150	$ 10	$ 22,160	$ 31,752	$ 31,454

The change in restricted cash, cash equivalents and investments is comprised of the following:

Year ended March 31,	2013	2012
Balance, beginning of year	$ 31,454	$ 83,280
Add contributions received during the year	38,864	30,160
Add deferred Parliamentary appropriations	5,806	-
Change in deferred bond interest receivable	157	554
Add deferred interest income	315	1,972
Less deferred realized loss on investments	(400)	(1,150)
Add unrealized gain on cash	44	54
Add unrealized gain on investments	289	116
Less amounts used to purchase capital assets	(54,369)	(83,532)
Balance, end of year	$ 22,160	$ 31,454

4. ACCOUNTS RECEIVABLE

March 31,	2013	2012
Contributions due from Friends of CMHR	$ 500	$ 500
Refundable taxes	447	522
Government appropriations	101	99
Other	37	80
Interest	-	157
	$ 1,085	$ 1,358

The carrying amounts of the Corporation's accounts receivable approximate their fair values due to their short-term nature.

5. HOLDBACK CASH ACCOUNT

In accordance with the construction contract for the Museum building and the *Builder's Lien Act* of Manitoba, the Corporation is required to holdback 7.5% of progress billings. These amounts are restricted in nature and recorded as an asset and liability. The restricted funds will be paid out upon certified completion of the subcontracts in accordance with the *Builder's Lien Act* of Manitoba. The total holdback cash account balance and related liability at March 31, 2013 was $11.8 million (March 31, 2012 - $9.9 million), of which $11.8 million (March 31, 2012 - $9.9 million) is current.

6. CAPITAL ASSETS

	Cost March 31, 2012	Additions	Disposals	Cost March 31, 2013
Land	$ 4,979	$ -	$ -	$ 4,979
Computer equipment, hardware and software	3,124	1,150	-	4,274
Leasehold improvements	563	-	-	563
Furniture and equipment	152	122	-	274
Website development	70	-	13	57
Sub-total – Assets in use	8,888	1,272	13	10,147
Assets under construction	227,464	58,606	-	286,070
	$ 236,352	$ 59,878	$ 13	$ 296,217

	Accumulated amortization March 31, 2012	Amortization expense	Disposals	Accumulated amortization March 31, 2013
Land	$ -	$ -	$ -	$ -
Computer equipment, hardware and software	213	492	-	705
Leasehold improvements	536	27	-	563
Furniture and equipment	84	46	-	130
Website development	70	-	13	57
Sub-total – Assets in use	903	565	13	1,455
Assets under construction	-	-	-	-
	$ 903	$ 565	$ 13	$ 1,455

	Net book value March 31, 2012	Net book value March 31, 2013
Land	$ 4,979	$ 4,979
Computer equipment, hardware and software	2,911	3,569
Leasehold improvements	27	-
Furniture and equipment	68	144
Website development	-	-
Sub-total – Assets in use	7,985	8,692
Assets under construction	227,464	286,070
	$ 235,449	$ 294,762

On April 15, 2009, the Corporation acquired land for the Museum project from the City of Winnipeg and The Forks Renewal Corporation. The ownership of land reverts back to the City of Winnipeg and The Forks Renewal Corporation should the land no longer be used for the purposes of the Museum, or such other purposes as approved by the previous owners. The Corporation's Management estimated that the Museum's river-front parcel should be valued at $4.9 million plus related legal costs based on the information provided by an independent market evaluation.

The amortization expense for the year ended March 31, 2013 is $565 (year ended March 31, 2012 - $469).

Assets under construction represent costs incurred for the development and construction of the Capital Project. The assets under construction are comprised of the following costs incurred to date:

March 31,	2013	2012
Building design and construction	$ 276,081	$ 219,732
Exhibit design	9,709	7,732
Website development (Version 3)	195	-
Enterprise Content Management System	85	-
	$ 286,070	$ 227,464

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

March 31,	2013	2012
Assets under construction accounts payable	$ 11,310	$ 8,513
Other	3,407	2,846
	$ 14,717	$ 11,359

Public Works and Government Services Canada (PWGSC) and the City of Winnipeg are presently negotiating the amount of annual Payments in Lieu of Taxes (PILT) to be payable by the Museum. Management has estimated and recognized an amount in its accrued liabilities which is based on information available at the time of the preparation of the financial statements.

The carrying amounts of accounts payable and accrued liabilities approximate their fair values due to their short-term nature.

8. EMPLOYEE FUTURE BENEFITS:

(a) Pension benefits:

Substantially all of the employees of the Corporation are covered by the Public Service Pension Plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution rate for employees effective at March 31, 2013 was 6.3% (March 31, 2012 – 6.2%). Total contributions of $693 were recognized as an expense for the year ended March 31, 2013 (year ended March 31, 2012 - $581).

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

(b) Sick leave and maternity/parental benefits:

The Corporation provides sick leave benefits for employees that accumulate but do not vest. The cost of the accrued benefit obligations related to sick leave entitlement earned by employees is determined using Management's best estimates considering assumptions based on employee demographics and sick leave usage of active employees.

The Corporation provides maternity/parental benefits for benefits as provided for under labour contracts and conditions of employment. The cost of the accrued benefit obligations related to maternity/parental entitlement earned by employees is determined using Management's best estimates.

Information about the plans, measured as at year end, is as follows:

Year ended March 31,	2013	2012
Accrued benefit obligations, beginning of the year	$ 193	$ 153
Cost of benefits related to the year	70	125
Benefits paid during the year	(165)	(85)
Accrued benefit obligations, end of the year	$ 98	$ 193

9. DEFERRED CONTRIBUTIONS

Deferred contributions recorded by the Corporation are as follows:

March 31,	2013	2012
Deferred contributions from the Government of Canada restricted for use for the purchase of capital assets	$ 11,320	$ 9,961
Deferred contributions from non-government and other government sources restricted for use in the Capital Project	-	13,730
Deferred contributions	$ 11,320	$ 23,691

Changes in the deferred contributions balance during the year were as follows:

Year ended March 31,		2013		2012
Balance, beginning of year	$	23,691	$	75,265
Additions:				
Government of Canada appropriations – Definitive Agreement		-		10,000
Government of Canada appropriations[1]		25,000		-
Government of Canada appropriations re-profiled from 2011-2012		10,000		-
Restricted deferred Parliamentary appropriations		5,806		-
Non-government and other government sources		3,864		20,660
Deferred investment income (loss)		(85)		822
Accumulated unrealized losses reclassified to the Statement of Remeasurement Gains and Losses		-		498
		44,585		31,980
Deductions:				
Amounts transferred to deferred contributions related to capital assets		(56,729)		(83,554)
Amounts recognized as revenue		(227)		-
		(56,956)		(83,554)
Balance, end of year	$	11,320	$	23,691

[1] *In June 2012, the Government of Canada approved the use of $35 million of future years' operating and capital appropriations, of which $25 million was authorized for 2012-2013 and $10 million for 2013-2014. CMHR plans to decrease its level of appropriations over six years commencing in 2018-2019.*

10. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS:

Changes in the deferred contributions related to capital assets are composed of:

Year ended March 31,	2013	2012
Balance, beginning of year	$ 230,470	$ 145,883
Amounts transferred from deferred contributions	56,729	83,554
Government contributions:		
Other Government of Canada assistance	2,427	1,472
Non-government contributions:		
Capital contributions-in-kind from Friends of CMHR	722	30
Amortization of deferred contributions related to capital assets in use	(565)	(469)
Balance, end of year	$ 289,783	$ 230,470

11. PARLIAMENTARY APPROPRIATIONS:

Year ended March 31,	2013	2012
Main estimates amount provided for operating and capital expenditures	$ 21,700	$ 21,700
Re-profiling of estimates for construction of capital assets	-	(10,000)
Reimbursement of paylist expenditures	236	99
Total Parliamentary appropriations approved in year	21,936	11,799
Less current year Parliamentary appropriations not recognized as revenue:		
Restricted for capital asset acquisitions (deferred contributions)	(5,806)	-
Amounts used to purchase capital assets	(2,427)	(1,474)
Add prior year Parliamentary appropriations recognized as revenue in the current year:		
Amortization of deferred contributions related to capital assets in use	565	469
Restricted amounts used in current year	227	-
	$ 14,495	$ 10,794

12. NET ASSETS INVESTED IN CAPITAL ASSETS:

The net investment in capital assets consists of the land donated by the City of Winnipeg and The Forks Renewal Corporation as follows:

March 31,		2013		2012
Capital assets	$	294,762	$	235,449
Less amounts financed by deferred contributions related to capital assets		(289,783)		(230,470)
	$	4,979	$	4,979

13. FRIENDS OF THE CANADIAN MUSEUM FOR HUMAN RIGHTS:

The Friends of the Canadian Museum for Human Rights Inc. ("Friends of CMHR") was incorporated under the *Canada Corporations Act* on March 21, 2002 and is a registered charity under the *Income Tax Act* since September 18, 2002. Although the Friends of CMHR is a separate legal entity from the Canadian Museum for Human Rights, it is a related entity as the Corporation exercises significant influence over its operations, financing, and strategic planning.

Currently, Friends of CMHR raise funds from individuals, foundations, governments and corporations to support the Capital Project for the Corporation. Friends of CMHR will be responsible for funding its operating expenditures through private sector donations and other revenue. Upon completion of the Museum building, the Corporation shall license space and services including security, janitorial, information technology support and other services and amenities at a fee of $1.00 per annum. For the year ended March 31, 2013, indirect administrative support costs of approximately $0.1 million were incurred by the Corporation (2012 - $0.1 million). The amounts contributed to the Corporation by the Friends of CMHR are recorded as Deferred contributions on the Statement of Financial Position and are transferred to Deferred contributions related to capital assets as the funds are used for the Capital Project. In the future, the focus of fundraising will shift to endowment requirements and restricted or unrestricted funding for programming. Contributions from Friends of CMHR that are restricted for a specific purpose will be deferred and recognized as the related expenditures are incurred. Unrestricted contributions will be recognized as revenue in the year received.

14. FINANCIAL RISK MANAGEMENT:

The Corporation has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. These risks have no significant impact on the Corporation's financial statements.

The Audit Committee's mandate includes ensuring that the Corporation has identified its major risks and ensures that management monitors and controls them. The Board oversees the Corporation's systems and practices of internal control, and ensures that these controls contribute to the assessment and mitigation of risk.

(a) Credit risk:

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the Corporation consisting of restricted cash, cash equivalents, investments, holdback account as well as accounts receivable.

The maximum exposure to credit risk of the Corporation at March 31, 2013 is the carrying value of these assets.

(i) Accounts receivable:

The Corporation's exposure to credit risk associated with accounts receivable is influenced mainly by the demographics of the Corporation's debtors, including the risk associated with the type of debtor. The Corporation's accounts receivable balance as at March 31, 2013 is comprised mainly of refundable GST due from the Government of Canada and a contribution receivable from Friends of CMHR, and both are current. No allowance for doubtful accounts has been recorded by the Corporation as at March 31, 2013.

(ii) Cash and holdback account:

The Corporation manages its credit risk surrounding cash by dealing solely with reputable banks and financial institutions, and utilizing an investment policy approved by the Board of Trustees to guide their investment decisions. At March 31, 2013, the Corporation only held cash.

(b) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the Corporation's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return. At March 31, 2013, the Corporation did not have any material interest rate risks.

(i) Currency risk:

The Corporation's financial assets and liabilities are in Canadian dollars which is the functional currency of the Corporation. Foreign exchange risk may arise from certain contracts related to the Capital Project which may be denominated in foreign currencies, specifically the US dollar. At March 31, 2013 the Corporation did not have any material foreign currency risks.

Although management monitors exposure to such fluctuations, it does not employ any external hedging strategies to counteract the foreign currency fluctuations. The effect of fluctuations in foreign exchange rates on the financial statements is insignificant.

(c) Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due.

The Corporation manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation.

At March 31, 2013, the Corporation had cash and cash equivalents of $29.0 million (Cash and cash equivalents March 31, 2012 - $23.5 million) and current portion of holdback account asset of $11.8 million (March 31, 2012 - $9.9 million).

The maturities of the Corporation's financial liabilities at March 31, 2013 are estimated by management to be as follows:

Accounts payable and accrued liabilities	$14.7 million	Due within 1 year
Current portion holdback account	$11.8 million	Due within 1 year

(d) Fair value measurement hierarchy:

All financial instruments must be classified in accordance with the significance of the inputs used in making fair value measurements. The fair value hierarchy prioritizes the valuation techniques used to determine the fair value of a financial instrument based on whether the inputs to those techniques are observable or unobservable:

(i) Level 1 – Financial instruments are considered Level 1 when valuation can be based on quoted prices in active markets for identical assets and liabilities.

(ii) Level 2 – Financial instruments are considered Level 2 when they are valued using quoted prices for similar assets and liabilities, quoted prices in markets that are not active, or models using inputs that are observable.

(iii) Level 3 – Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

All of the Corporation's financial assets and liabilities presented as fair value are classified as Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities. There were no transfers between levels for the year ended March 31, 2013.

15. RELATED PARTY TRANSACTIONS:

The Corporation is related to the Friends of the Canadian Museum for Human Rights Inc. (as disclosed in note 13) and all Government of Canada departments, agencies and Crown corporations. The Corporation enters into transactions with these entities in the normal course of business.

These transactions are measured at the fair value amount, which is the amount of consideration established and agreed to by the related parties. The Corporation incurred expenses totaling $1.5 million for personnel costs and facilities and recorded operating revenue of $14.5 million for Parliamentary appropriations from related parties for the year ended March 31, 2013 (year ended March 31, 2012 - $1.2 million and $10.8 million, respectively).

The Corporation incurred expenses totaling $0.8 million for personnel costs for the Board of Trustees and Senior Management for the year ended March 31, 2013 (year ended March 31, 2012 – $1.4 million). These transactions are recorded at fair value.

As at March 31, 2013 the Corporation recorded the following amounts on the Statement of Financial Position for transactions with related parties:

March 31,	2013	2012
Accounts receivable	$ 1,048	$ 1,123
Prepaid expenses and other assets	36	25
Restricted cash and cash equivalents	-	4,653
Accounts payable and accrued liabilities	126	143
Deferred contributions	11,320	23,691
Deferred contributions related to capital assets	231,456	172,143

The Corporation recorded cash contributions for the Capital Project from related parties of $44.7 million for the year ended March 31, 2013 (year ended March 31, 2012 - $30.7 million). These amounts are included in Deferred contributions and Deferred contributions related to capital assets on the Statement of Financial Position.

Included in contractual obligations are future minimum lease payments for operational contracts with related parties of $317 in 2013-2014 and nil in future years.

16. CONTRACTUAL OBLIGATIONS:

As at March 31, 2013, the Corporation had entered into long-term contracts for equipment and services with a remaining value of $4.1 million (2012 - $1.5 million). As of March 31, 2013, the Corporation has also entered into long-term contracts for $278.9 million (2012 - $261.1 million) relating to construction services for the Capital Project with a remaining commitment of $11.6 million (2012 - $45.4 million). At March 31, 2013, the Base Building was substantially complete.

The future minimum payments for both construction and operational contracts are as follows:

2013-2014	$ 12,792
2014-2015	1,470
2015-2016	894
2016-2017	620
2017-2018	-
	$ 15,776

17. CONTINGENCIES:

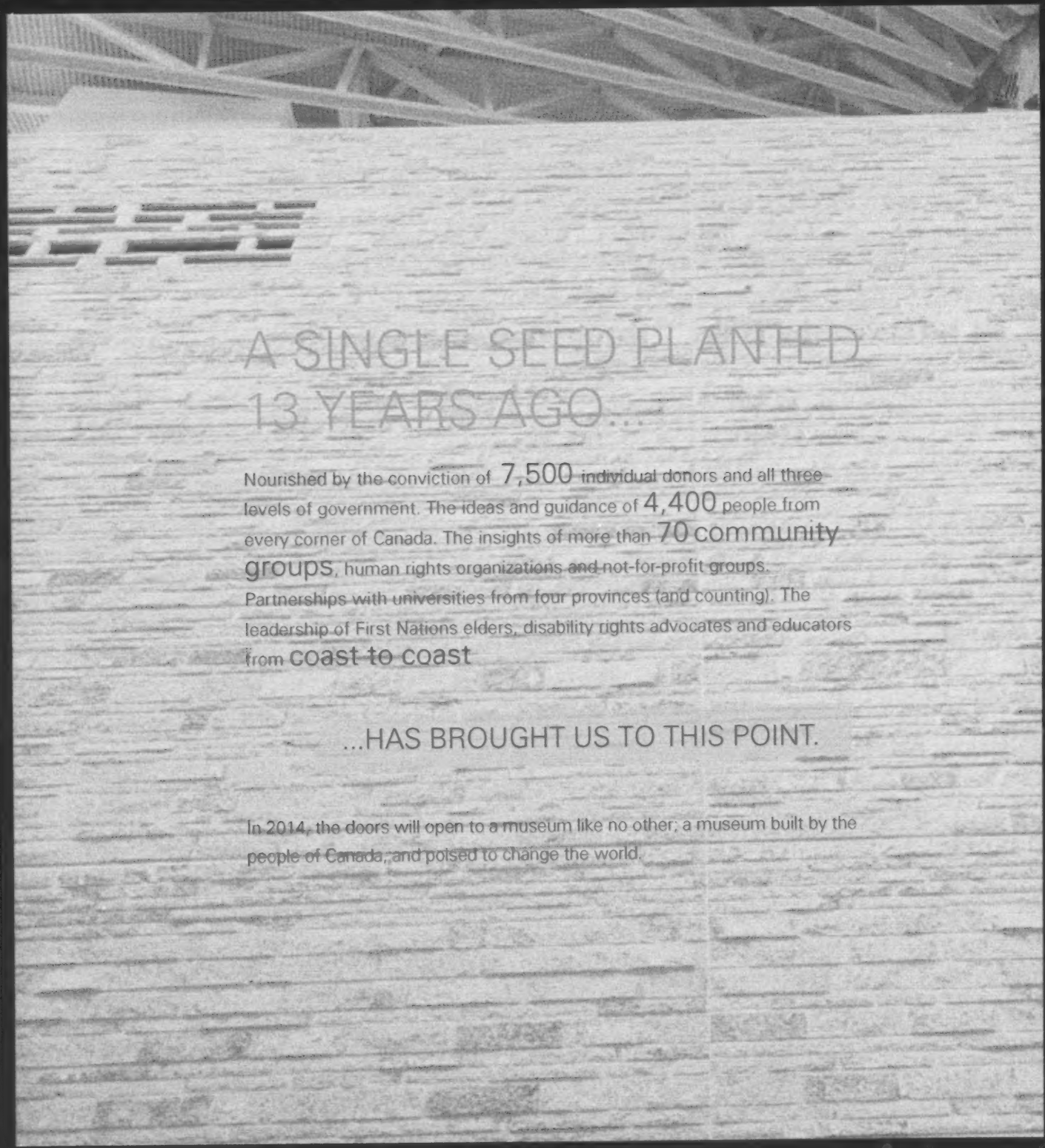
There are no outstanding claims against the Corporation and no amount has been included in the Statement of Financial Position as at March 31, 2013.

18. COMPARATIVE FIGURES:

The Statement of Cash Flows has been adjusted in order to include the holdback account as part of cash and cash equivalents. This resulted in increases to prior year figures in the amount of $4,114 to cash and cash equivalents, beginning of year and $9,884 to cash and cash equivalents, end of year. Consequently the acquisition of assets under construction has also been reduced by $5,770 which represents the net increase to contractor's holdbacks in the year.

Schedule 1 – Expenses

Year ended March 31,	2013	2012
Personnel costs	$ 6,800	$ 5,620
Professional and special services	2,217	1,718
Facilities	1,576	688
Office supplies and administration	994	777
Exhibit content development	633	562
Amortization of capital assets	565	469
Marketing and promotion	316	601
Travel	293	257
Computers and furniture	284	229
Total expenses	$ 13,678	$ 10,921



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